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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): August 21, 2020

COMSOVEREIGN HOLDING CORP.
(Exact name of registrant as specified in its charter)

Nevada	333-150332	46-5538504
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5000 Quorum Drive, STE 400
Dallas, TX 75254
(Address of principal executive offices)

Registrant's telephone number, including area code: **(904) 834-4400**

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 (see General Instruction A.2. below):

☐ 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))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

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

Fastback Merger Agreement

On August 24, 2020, ComSovereign Holding Corp. (the "**Company,**" "**we**," "**us**," or "**our company**") entered into an Agreement and Plan of Merger dated as of August 24, 2020 (the "**Merger Agreement**") by and among our company, CHC Merger Sub 8, LLC, a Colorado limited liability company and our wholly-owned subsidiary ("**Merger Sub**"), Skyline Technology Partners LLC, a Colorado limited liability company that does business under the name Fastback Networks ("**Fastback**"), and John Helson, solely in his capacity as the representative of the security holders of Fastback, pursuant to which, subject to the terms and conditions of the Merger Agreement, Merger Sub will merge with and into Fastback (the "**Merger**"), whereupon the separate organizational existence of Merger Sub shall cease and Fastback will continue as the surviving entity of the Merger as a wholly-owned subsidiary of our company.

In connection with the Merger, all of the issued and outstanding membership units of Fastback will be cancelled and converted into the right to receive aggregate merger consideration consisting of (i) $1,250,000 in cash (the "**Cash Consideration**"), (ii) $1,500,000 aggregate principal amount of our term debentures which will be dated as of the closing date having the terms and substantially in the form as the form of term debenture annexed as Exhibit B to the Merger Agreement (the "**Term Debentures**"), and (iii) $11,150,000 aggregate principal amount of our convertible debentures having the terms and substantially in the form as the form of convertible debenture annexed as Exhibit C to the Merger Agreement (the "**Convertible Debentures**"), which shall be convertible by each holder into shares of our common stock, par value $0.0001 per share (the "**Common Stock**") at a conversion price of $1.74 per share, subject to adjustment (collectively, the "**Merger Consideration**") and which will be dated as of the closing date.

We believe Fastback has been a leader in the development and commercialization of innovative intelligent backhaul radio (IBR) systems that deliver high-performance wireless connectivity to virtually any location including those challenged by Non-Line of Sight (NLOS) limitations. Fastback's advanced IBR products allow operators to economically add capacity and density to their macrocells and expand service coverage density with small cells. These solutions also allow operators to both provide temporary cellular and data service utilizing mobile/portable radio systems and provide wireless Ethernet connectivity. Fastback has a U.S. patent portfolio comprised of 65 granted and 12 pending patents. Collectively the patent portfolio covers key technologies including antenna arrays, signal processing, adaptive antennas, beamforming/steering, self-optimizing networks, spectrum sharing and hybrid band operations.

The Merger Agreement contains customary representations, warranties and covenants of our company, on one hand, and Fastback, on the other hand, including, among others, covenants by Fastback with respect to the operations of Fastback during the period between execution of the Merger Agreement and the closing of the transactions contemplated by the Merger Agreement (the "**Closing**"). The Merger Agreement also provides that each party will indemnify the other party following the Closing for breaches of the warranties and covenants of such party, as well as certain other matters, subject to certain specified limitations, including, among other things, limitations on the period during which a party may make certain claims for indemnification and limitations on the amounts for which a party may be liable.

Pursuant to the Merger Agreement, the Closing is conditioned upon, among other things, our company raising a minimum of $12 million of gross proceeds from the sale of our equity securities and other customary closing conditions. The Merger Agreement also provides for limited termination rights, including, among others, by the mutual consent of our company and Fastback, upon certain breaches of representations, warranties, covenants or agreements, and in the event the Closing has not been consummated before September 30, 2020, subject to the ability of the parties to extend under certain circumstances.

The foregoing description of the Merger Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Merger Agreement, a copy of which is attached hereto as Exhibit 10.1, which is incorporated herein by reference thereto.

The Merger Agreement has been filed as an exhibit hereto to provide investors and security holders with information regarding its terms and is not intended to provide any factual information about our company or Fastback. The representations, warranties and covenants set forth in the Merger Agreement were made solely between the parties to the Merger Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms, including being qualified by confidential disclosures exchanged between the parties in connection with the execution of the Merger Agreement. Moreover, the representations and Warranties may be subject to a contractual standard of materiality that may be different from what may be viewed as material to investors or security holders, or may have been used for the purpose of allocating risk between the parties to the Merger Agreement rather than establishing matters as facts. Information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in our public disclosures. For the foregoing reasons, no person should rely on the representations and warranties as statements of factual information at the time they were made or otherwise.

RedDiamond 12.5% OID Convertible Promissory Note

On August 21, 2020, we entered into a Securities Purchase Agreement (the "**Purchase Agreement**") with an investor, pursuant to which we sold to the investor a 12.5% OID convertible promissory note in the principal amount of $1,700,000 (the "**Note**") and 400,000 shares of our Common Stock for an aggregate purchase price of $1,500,000 (representing an original issue discount of 12.5%). The Note matures on November 20, 2020 (the "**Maturity Date**").

The Note bears interest at the rate of 5.0% per annum and, following the Maturity Date, is convertible into shares of Common Stock at a conversion price equal to 65% of the lowest daily VWAP of the Common Stock during the 20 consecutive trading days immediately preceding the applicable conversion date. However, the holder of the Note will not have the right to convert any portion of the Note if the holder, together with its affiliates, would beneficially own in excess of 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to its conversion and under no circumstances may convert the Note if the investor, together with its affiliates, would beneficially own in excess of 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to its conversion.

In connection with this transaction, we entered into a Placement Agency Agreement (the "**Placement Agency Agreement**") with ThinkEquity, a division of Fordham Financial Management, Inc. (the "**Placement Agent**"), pursuant to which we have agreed to pay the Placement Agent a cash fee equal to 10% of the gross proceeds received by us from the investor in this transaction, as well as a one-time expense fee of $2,500 for aggregate out-of-pocket expenses incurred collectively in this transaction. Pursuant to the Placement Agency Agreement, we also agreed to grant to the Placement Agent or its designees warrants to purchase up to 53,571 shares of Common Stock with an exercise price of $2.80 per share, substantially in the same form as the warrants filed as Exhibit 4.2 to our Form 8-K dated March 5, 2020, which were issued to the Placement Agent under the Placement Agency Agreement, dated April 30, 2020, between our company and the Placement Agent (the "**Placement Agent Warrants**").

The Placement Agent Warrants are exercisable, in whole or in part, commencing on the issuance date and have an exercise period of five years. In the event that there is not an effective registration statement permitting for the resale of the shares underlying the Placement Agent Warrants, the Placement Agent Warrant's shall be exercisable on a cashless basis. There are significant restrictions pursuant to FINRA Rule 5110 against transferring the Placement Agent's Warrants and the shares issuable upon exercise of the Placement Agent Warrants during the one hundred eighty (180) days after the closing date.

The foregoing descriptions of the terms of the Purchase Agreement, the Note and the Placement Agent Warrants do not purport to be complete and are qualified in their entirety by reference to the full text of the Purchase Agreement and the Note, copies of each of which are filed as Exhibits 10.2 and 4.1 to this Current Report on Form 8-K, respectively, and the form of Placement Agent Warrants filed as Exhibit 4.2 to our Form 8-K dated March 5, 2020.

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

The disclosure provided under Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference into this Item 3.02 in its entirety. The Note and Placement Agent Warrants were, and any shares of common stock issuable upon conversion of the Note or exercise of the Placement Agent Warrants will be, issued in a transaction exempt from registration under the Securities Act in reliance on Section 4(a)(2) thereof and Rule 506 of Regulation D thereunder. Each of the investor and the Placement Agent, respectively, has represented that it was an "accredited investor," as defined in Regulation D, and was acquiring the securities described herein for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. Accordingly, the Note, the Placement Agent Warrants and the shares issuable upon conversion of the Note or exercise of the Placement Agent Warrants have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws.

Item 8.01 Other Information.

On August 24, 2020, we issued a press release press release announcing the entry into the Merger Agreement. A copy of the press release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

The information under this Item 8.01, including Exhibit 99.1, is deemed "furnished" and not "filed" under Section 18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit Number	Description
4.1	12.5% OID Convertible Note dated August 21, 2020 in the principal amount of $1,700,000 issued to RedDiamond Partners LLC
10.1*	Agreement and Plan of Merger, dated as of August 24, 2020, by and among our company, CHC Merger Sub 8, LLC, Skyline Technology Partners LLC d/b/a Fastback Networks and the Members' Representative named therein.
10.2	Securities Purchase Agreement, dated as if August 21, 2020 between our company and RedDiamond Partners LLC
99.1	Press Release, dated August 24, 2020, announcing our entry into the Merger Agreement

* Schedules, exhibits and similar supporting attachments or agreements to the Merger Agreement are omitted pursuant to Item 601(b)(2) of Regulation S-K. We agree to furnish a supplemental copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

Cautionary Note Regarding Forward-Looking Statements

The information in this Current Report on Form 8-K, including Exhibit 99.1, may contain "forward looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Certain statements furnished pursuant to this Item 8.01 and the accompanying Exhibit 99.1 are not historical facts are forward-looking statements that reflect management's current expectations, assumptions, and estimates of future performance and economic conditions, and involve risks and uncertainties that could cause actual results to differ materially from those anticipated by the statements made herein. Forward-looking statements are generally identifiable by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "could," "continue," "anticipate" "optimistic," "forecast" "intend," "estimate," "preliminary," "project," "seek," "plan," "looks to," "on condition," "target," "potential," "guidance," "outlook" or "trend," or other comparable terminology, or by a general discussion of strategy or goals or other future events, circumstances, or effects. Such statements include, but are not limited to, statements about our plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in our Annual Report on Form 10-K for the year ended December 31, 2019 (particularly in Part I, Item 1A. Risk Factors and Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations), and other risks and uncertainties listed from time to time in our other filings with the SEC. There may be other factors of which the Company is not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. In addition, there is uncertainty about the spread of the COVID-19 virus and the impact it may have on our operations, the demand for our products or services, global supply chains and economic activity in general. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statement. Further information relating to factors that may impact our results and forward-looking statements are disclosed in our filings with the SEC. The forward-looking statements contained in this report are made as of the date of this report, and we disclaim any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

SIGNATURE

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

Date: August 26, 2020

COMSOVEREIGN HOLDING CORP.

By: /s/ Daniel L. Hodges
Daniel L. Hodges
Chairman and Chief Executive Officer

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY AND THE SECURITIES ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

Dated as of: August 21, 2020	Purchase Price:	$	1,500,000
Maturity Date: November 20, 2020	Original Issue Discount:	$	200,000
Interest Rate: 5.0%	Original Principal Amount:	$	1,700,000

SECURED OID PROMISSORY NOTE
DUE NOVEMBER 20, 2020

THIS SECURED OID PROMISSORY NOTE is one of a series of duly authorized and validly issued Secured OID Promissory Notes of ComSovereign Holding Corp., a Nevada corporation (the "Company"), having its principal place of business at 5000 Quorum Drive, STE 400, Dallas, TX 75254, designated as its Secured OID Promissory Notes due November 20, 2020 (this Note, the "Note" and, collectively with the other Notes of such series, the "Notes").

FOR VALUE RECEIVED, the Company hereby promises to pay to the order of RedDiamond Partners, LLC or its registered assigns or successors-in-interest (the "Holder"), or shall have paid pursuant to the terms hereunder, the principal amount set forth above on November 20, 2020 (the "Maturity Date") or such earlier date as this Note is required or permitted to be repaid as provided hereunder, and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Note in accordance with the provisions hereof.

This Note is being issued pursuant to that Securities Purchase Agreement dated August 21, 2020 between the Company and the Holder (defined below) (the "Purchase Agreement").

The obligations of the Company under this Note are secured by the Guarantee set forth below.

This Note is subject to the following additional provisions:

1. Definitions. For the purposes hereof, in addition to the terms defined elsewhere in this Note, (a) capitalized terms not otherwise defined herein shall have the meanings set forth in the Exchange Agreement and (b) the following terms shall have the following meanings:

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

"Bankruptcy Event" means any of the following events: (a) the Company or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) thereof commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Significant Subsidiary thereof, (b) there is commenced against the Company or any Significant Subsidiary thereof any such case or proceeding that is not dismissed within 60 days after commencement, (c) the Company or any Significant Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) the Company or any Significant Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 60 calendar days after such appointment, (e) the Company or any Significant Subsidiary thereof makes a general assignment for the benefit of creditors, (f) the Company or any Significant Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts or (g) the Company or any Significant Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"Base Conversion Price" shall have the meaning set forth in Section 5(b).

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

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

"Change of Control Transaction" means the occurrence after the date hereof of any of (a) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 33% of the voting securities of the Company (other than by means of conversion or exercise of the Notes and the Securities issued together with the Notes), (b) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the stockholders of the Company immediately prior to such transaction own less than 66% of the aggregate voting power of the Company or the successor entity of such transaction, (c) the Company sells or transfers all or substantially all of its assets to another Person and the stockholders of the Company immediately prior to such transaction own less than 66% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a three year period of more than one-half of the members of the Board of Directors which is not approved by a majority of those individuals who are members of the Board of Directors on the Original Issue Date (or by those individuals who are serving as members of the Board of Directors on any date whose nomination to the Board of Directors was approved by a majority of the members of the Board of Directors who are members on the date hereof), or (e) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (d) above.

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

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

"Conversion Price" shall have the meaning set forth in Section 4(b).

"Conversion Schedule" means the Conversion Schedule in the form of Schedule 1 attached hereto.

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of this Note in accordance with the terms hereof.

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

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

"Event of Default" shall have the meaning set forth in Section 6(a).

"Fundamental Transaction" shall have the meaning set forth in Section 5(e).

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

"Mandatory Default Amount" means the payment of 130% of the outstanding principal amount of this Note and accrued and unpaid interest hereon, in addition to the payment of all other amounts, costs, expenses and liquidated damages due in respect of this Note.

"New Jersey Courts" shall have the meaning set forth in Section 7(d).

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

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

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

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

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

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

"Trading Market" means any of the following markets or exchanges on which the Common Stock (or any other common stock of any other Person that references the Trading Market for its common stock) is listed or quoted for trading on the date in question: the OTC Bulletin Board, The NASDAQ Global Market, The NASDAQ Global Select Market, The NASDAQ Capital Market, the New York Stock Exchange, NYSE Arca, the NYSE American, or the OTCQX Marketplace, the OTCQB Marketplace, the OTC Pink Marketplace or any other tier operated by OTC Markets Group Inc. (or any successor to any of the foregoing).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market other than the OTC Bulletin Board, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if the Common Stock is then quoted on the OTC Bulletin Board, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board, (c) if the Common Stock is not then listed or quoted for trading on a Trading Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by Pink OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Notes then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

2. Interest and Prepayments.

a) Payment of Interest in Cash. The Company shall pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Note at the rate of 5.0% per annum. All interest payments hereunder will be payable in cash. Accrued and unpaid interest shall be due on payable on the Maturity Date, or as otherwise set forth herein.

b) Interest Calculations. Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30 calendar day periods, and shall accrue daily commencing on the Original Issue Date until payment in full of the outstanding principal, together with all accrued and unpaid interest, liquidated damages and other amounts which may become due hereunder, has been made. Interest hereunder will be paid to the Person in whose name this Note is registered on the records of the Company regarding registration and transfers of this Note (the "Note Register").

c) Late Fee. All overdue accrued and unpaid interest to be paid hereunder shall entail a late fee at an interest rate equal to the lesser of 18% per annum or the maximum rate permitted by applicable law (the "Late Fees") which shall accrue daily from the date such interest is due hereunder through and including the date of actual payment in full.

d) Prepayment by the Company. At any time upon ten (10) days written notice to the Holder, the Company may prepay any portion of the principal amount of this Note and any accrued and unpaid interest. If the Company exercises its right to prepay the Note, the Company shall make payment to the Holder of an amount in cash equal to the sum of the then outstanding principal amount of this Note and accrued interest thereon within three (3) Business Days after such ten (10) day period. The Holder may convert (to the extent provided herein) the Note from the date notice of the prepayment is given until the date of the prepayment.

3. Registration of Transfers and Exchanges.

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

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

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

4. Conversion.

a) Voluntary Conversion. Following the Maturity Date and if not paid, this Note shall be convertible, in whole or in part, into shares of Common Stock at the option of the Holder, at any time and from time to time (subject to the conversion limitations set forth in Section 4(d) hereof). The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a "Notice of Conversion"), specifying therein the principal amount of this Note to be converted, accrued and unpaid interest outstanding under this Note to be converted, and/or Mandatory Default Amount (if applicable) to be converted, and the date on which such conversion shall be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire principal amount of this Note, plus all accrued and unpaid interest thereon, has been so converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable conversion. The Holder and the Company shall maintain a Conversion Schedule showing the principal amount(s) converted and the date of such conversion(s). The Company may deliver an objection to any Notice of Conversion within one (1) Business Day of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. **The Holder, and any assignee by acceptance of this Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.**

b) Conversion Price. Following the Maturity Date, the Conversion Price shall be equal to 65% of the lowest VWAP for the twenty (20) consecutive Trading Days ending on the Trading Day that is immediately prior to the applicable Conversion Date (the "Default Conversion Price") (the resulting pricing being referred to herein as the "Conversion Price"). All such determinations will be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the Common Stock during such measuring period. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 6 hereof and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

c) Mechanics of Conversion.

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

ii. Delivery of Certificate Upon Conversion. Not later than two (2) Trading Days after each Conversion Date (the "Share Delivery Date"), the Company shall deliver, or cause to be delivered, to the Holder (A) a certificate or certificates representing the Conversion Shares which, on or after the date on which such Conversion Shares are eligible to be sold under Rule 144 without the need for current public information and the Company has received an opinion of counsel to such effect reasonably acceptable to the Company (which opinion the Company will be responsible for obtaining) shall be free of restrictive legends and trading restrictions (other than those which may then be required by the Purchase Agreement) representing the number of Conversion Shares being acquired upon the conversion of this Note, and (B) a bank check in the amount of accrued and unpaid interest (if the Company has elected or is required to pay accrued interest in cash). All certificate or certificates required to be delivered by the Company under this Section 4(c) shall be delivered electronically through the Depository Trust Company or another established clearing corporation performing similar functions. If the Conversion Date is prior to the date on which such Conversion Shares are eligible to be sold under Rule 144 without the need for current public information the Conversion Shares shall bear a restrictive legend in the following form, as appropriate:

"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."

Notwithstanding the foregoing, commencing on such date that the Conversion Shares are eligible for sale under Rule 144 subject to current public information requirements, the Company, upon request of the Holder, shall obtain a legal opinion to allow for such sales under Rule 144.

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

iv. Obligation Absolute; Partial Liquidated Damages. The Company's obligations to issue and deliver the Conversion Shares upon conversion of this Note in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action the Company may have against the Holder. In the event the Holder of this Note shall elect to convert any or all of the outstanding principal or interest amount hereof, the Company may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and or enjoining conversion of all or part of this Note shall have been sought and obtained, and the Company posts a surety bond for the benefit of the Holder in the amount of 150% of the outstanding principal amount of this Note, which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to the Holder to the extent it obtains judgment. In the absence of such injunction, the Company shall issue Conversion Shares or, if applicable, cash, upon a properly noticed conversion. If the Company fails for any reason to deliver to the Holder such certificate or certificates pursuant to Section 4(c) by the Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, $1,000 per Trading Day for each Trading Day after such Share Delivery Date until such certificates are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 6 hereof for the Company's failure to deliver Conversion Shares within the period specified herein and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

v. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Conversion. In addition to any other rights available to the Holder, if the Company fails for any reason to deliver to the Holder such certificate or certificates by the Share Delivery Date pursuant to Section 4(c), and if after such Share Delivery Date the Holder is required by its brokerage firm to purchase (in an open market transaction or otherwise), or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Conversion Shares which the Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "Buy-In"), then the Company shall (A) pay in cash to the Holder (in addition to any other remedies available to or elected by the Holder) the amount, if any, by which (x) the Holder's total purchase price (including any brokerage commissions) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that the Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of the Holder, either reissue (if surrendered) this Note in a principal amount equal to the principal amount of the attempted conversion (in which case such conversion shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued if the Company had timely complied with its delivery requirements under Section 4(c). For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of this Note with respect to which the actual sale price of the Conversion Shares (including any brokerage commissions) giving rise to such purchase obligation was a total of $10,000 under clause (A) of the immediately preceding sentence, the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon conversion of this Note as required pursuant to the terms hereof.

vi. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock a number of shares of Common Stock at least equal to 300% of the Required Minimum for the sole purpose of issuance upon conversion of this Note and payment of interest on this Note, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of Persons other than the Holder (and the other holders of the Notes), not less than such aggregate number of shares of the Common Stock as shall (subject to the terms and conditions set forth in the Purchase Agreement) be issuable (taking into account the adjustments and restrictions of Section 5) upon the conversion of the then outstanding principal amount of this Note and payment of interest hereunder. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

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

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

d) Holder's Conversion Limitations. The Company shall not effect any conversion of principal and/or interest of this Note, and a Holder shall not have the right to convert any principal and/or interest of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any Persons acting as a group together with the Holder or any of the Holder's Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Note beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, any other Notes or the Warrants) beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 4(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 4(d) applies, the determination of whether this Note is convertible (in relation to other securities owned by the Holder together with any Affiliates) and of which principal amount of this Note is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Note may be converted (in relation to other securities owned by the Holder together with any Affiliates) and which principal amount of this Note is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4(d), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of this Note held by the Holder. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 4(d), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon conversion of this Note held by the Holder and the Beneficial Ownership Limitation provisions of this Section 4(d) shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The Beneficial Ownership Limitation provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 4(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Note.

5. Certain Adjustments.

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

b) Subsequent Equity Sales. If, at any time while this Note is outstanding and has not been paid by Maturity Date, the Company or any Subsidiary, as applicable, sells or grants any option to purchase or sells or grants any right to reprice, or otherwise disposes of or issues (or announces any sale, grant or any option to purchase or other disposition), any Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the then Conversion Price (such lower price, the "Base Conversion Price" and such issuances, collectively, a "Dilutive Issuance") (if the holder of the Common Stock or Common Stock Equivalents so issued shall at any time, whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices or otherwise, or due to warrants, options or rights per share which are issued in connection with such issuance, be entitled to receive shares of Common Stock at an effective price per share that is lower than the Conversion Price, such issuance shall be deemed to have occurred for less than the Conversion Price on such date of the Dilutive Issuance), then the Conversion Price shall be reduced to equal the Base Conversion Price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. Notwithstanding the foregoing, no adjustment will be made under this Section 5(b) in respect of an Exempt Issuance. The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalents subject to this Section 5(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 5(b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion.

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 5 above, if at any time following the Maturity Date and this Note has not been paid, the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Note is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Note, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Note is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation in Section 4(d) on the conversion of this Note), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Note is convertible immediately prior to such Fundamental Transaction (without regard to any limitation in Section 4(d) on the conversion of this Note). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one (1) share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Note and the other Transaction Documents (as defined in the Purchase Agreement) in accordance with the provisions of this Section 5(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Note, deliver to the Holder in exchange for this Note a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Note which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Note (without regard to any limitations on the conversion of this Note) prior to such Fundamental Transaction, and with a conversion price which applies the conversion price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Note immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Note and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

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

g) Notice to the Holder.

i. Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any provision of this Section 5, the Company shall promptly deliver to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

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

h) Rollover Rights. If, following the Maturity Date the Note remains unpaid, and thereafter at any time while this Note is outstanding, the Company completes any public offering or private placement of its equity, equity-linked and/or debt securities (each, a "Future Transaction"), the Holder may, in its sole discretion, elect to apply all, or any portion, of the then outstanding principal amount of this Note and any accrued but unpaid interest, as purchase consideration for such Future Transaction (the "Rollover Rights"). The Company shall give written notice to Holder as soon as practicable, but in no event less than three (3) Business Days before the anticipated closing date of such Future Transaction. The Holder may exercise its Rollover Rights by providing the Company written notice of such exercise within two (2) Business Days after receipt of notice of the Future Transaction. In the event Holder exercises its Rollover Rights, then such elected portion of the outstanding principal amount of this Note and accrued but unpaid interest shall automatically convert into the corresponding securities issued in such Future Transaction under the terms of such Future Transaction (except as provided in the next sentence), such that the Holder will receive all securities (including, without limitation, any warrants) issuable under the Future Transaction. The conversion price applicable to such conversion shall equal (x) the cash purchase price paid per share, unit or other security denomination for the Company securities issued in the Future Financing to other investors in the Future Transaction, (y) multiplied by 0.70. For the avoidance of doubt, the Holder will retain any Warrants the Holder owns following any exercise of the Holder's Rollover Rights.

i) Adjustment for More Favorable Terms Contained in Future Financings. So long as this Note is outstanding and unpaid following Maturity Date, upon any issuance by the Company or any of its subsidiaries of any convertible security (whether such debt begins with a convertible feature or such feature is added at a later date) with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Holder in this Note, then the Company shall notify the Holder of such additional or more favorable term and such term, at the Holder's option, shall become a part of this Note and its supporting documentation. The types of terms contained in the other security that may be more favorable to the holder of such security include, but are not limited to, terms addressing conversion discounts, conversion look back periods, interest rates, original issue discount percentages and warrant coverage. Notwithstanding the foregoing, no such adjustment will be made under this Section 5(i) in respect of an Exempt Issuance.

6. Events of Default.

a) "Event of Default" means, wherever used herein, any of the following events (whatever the reason for such event and whether such event shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court, or any order, rule or regulation of any administrative or governmental body):

i. any default in the payment of (A) the principal amount of any Note or (B) interest, liquidated damages and other amounts owing to a Holder on any Note, as and when the same shall become due and payable (whether on a Conversion Date or the Maturity Date or by acceleration or otherwise) which default, solely in the case of an interest payment or other default under clause (B) above, is not cured within 3 Trading Days;

ii. the Company shall materially fail to observe or perform any other covenant or agreement contained in the Notes (other than a breach by the Company of its obligations to deliver shares of Common Stock to the Holder upon conversion, which breach is addressed in clause (ix) below) which failure is not cured, if possible to cure, within the earlier to occur of (A) 5 Trading Days after notice of such failure sent by the Holder or by any other Holder to the Company and (B) 10 Trading Days after the Company has become or should have become aware of such failure;

iii. a default or event of default (subject to any grace or cure period provided in the applicable agreement, document or instrument) shall occur under (A) any of the Transaction Documents or (B) any other material agreement, lease, document or instrument to which the Company or any Subsidiary is obligated (and not covered by clause (vi) below) which default is not cured, if possible to cure, within the earlier to occur of (C) 5 Trading Days after notice of such default has been received by the Company and (D) 10 Trading Days after the Company has become or should have become aware of such default;

iv. any representation or warranty made in this Note, any other Transaction Documents, any written statement pursuant hereto or thereto or any other report, financial statement or certificate made or delivered to the Holder or any other Holder shall be untrue or incorrect in any material respect as of the date when made or deemed made;

v. the Company or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) shall be subject to a Bankruptcy Event;

vi. the Common Stock shall not be eligible for listing or quotation for trading on a Trading Market and shall not be eligible to resume listing or quotation for trading thereon within five Trading Days or the transfer of shares of Common Stock through the Depository Trust Company System is no longer available or "chilled";

vii. the Company shall be a party to any Change of Control Transaction or Fundamental Transaction or shall agree to sell or dispose of all or in excess of 33% of its assets in one transaction or a series of related transactions (whether or not such sale would constitute a Change of Control Transaction);

viii. if the Company or any Significant Subsidiary shall: (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of it or any of its properties, (ii) admit in writing its inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or be the subject of an order for relief under Title 11 of the United States Code or any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute of any other jurisdiction or foreign country, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage or any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or (vi) take or permit to be taken any action in furtherance of or for the purpose of effecting any of the foregoing;

ix. if any order, judgment or decree shall be entered, without the application, approval or consent of the Company or any Significant Subsidiary, by any court of competent jurisdiction, approving a petition seeking liquidation or reorganization of the Company or any Subsidiary, or appointing a receiver, trustee, custodian or liquidator of the Company or any Subsidiary, or of all or any substantial part of its assets, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days;

b) Remedies Upon Event of Default. Subject to the Beneficial Ownership Limitation as set forth in Section 4(d), if any Event of Default occurs, then the outstanding principal amount of this Note, plus accrued but unpaid interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable in cash at the Mandatory Default Amount. After the occurrence of any Event of Default that results in the eventual acceleration of this Note, the interest rate on this Note shall accrue at an additional interest rate equal to the lesser of 2% per month (24% per annum) or the maximum rate permitted under applicable law. Upon the payment in full of the Mandatory Default Amount, the Holder shall promptly surrender this Note to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 6(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

7. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, by email, or sent by a nationally recognized overnight courier service, addressed to the Company, at the address set forth above, or such other facsimile number, email or other address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section 7(a). Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, by email or sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile number, email or other address of the Holder appearing on the books of the Company, or if no such facsimile number, email or other address appears on the books of the Company, at the principal place of business of such Holder, as set forth in the Purchase Agreement. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile or via email at the facsimile number or email set forth on the signature pages attached hereto prior to 5:30 p.m. (New York City time) on any date (or 12:30 p.m. in the case of any Notice of Conversion), (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile or via email at the facsimile number or email set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day date (or 12:30 p.m. in the case of any Notice of Conversion), (iii) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (iv) upon actual receipt by the party to whom such notice is required to be given.

b) Absolute Obligation. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, liquidated damages and accrued interest, as applicable, on this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company. This Note ranks pari passu with all other Notes now or hereafter issued under the terms set forth herein.

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

d) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in Bergen, Essex and Hudson Counties, State of New Jersey (the "New Jersey Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New Jersey Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New Jersey Courts, or such New Jersey Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If any party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorneys fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

e) Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Company or the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note on any other occasion. Any waiver by the Company or the Holder must be in writing.

f) Severability. If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Note, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

g) Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note.

h) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

i) Headings. The headings contained herein are for convenience only, do not constitute a part of this Note and shall not be deemed to limit or affect any of the provisions hereof.

****

(Signature Pages Follow)

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

COMSOVEREIGN HOLDING CORP.

By: /s/ Daniel L. Hodges
Name: Daniel L. Hodges
Title: Chairman and Chief Executive Officer

Email addresses for delivery of Notices:

dhodges@comsovereign.com
ksherlock@comsovereign.com
ehellige@pryorcashman.com

GUARANTEE

For good and valuable consideration, the undersigned Guarantor absolutely and unconditionally guarantees the full and punctual payment, and the full performance and discharge, of all obligations of the Company under this Note and the related Transaction Documents. This is a guaranty of payment and performance and not of collection, so the Holder can enforce this Guarantee against the Guarantor even when the Holder has not exhausted Holder's remedies against the Company.

GUARANTOR

By: /s/ Daniel L. Hodges
Name: Daniel L. Hodges

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal and interest under the Secured OID Promissory Notes due November XX, 2020 of ComSovereign Holding Corp (the "Company"), into shares of its common stock (the "Common Stock"), according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

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

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

Conversion calculations:

Date to Effect Conversion:_____

Principal Amount of Note to be Converted:_____

Payment of Interest in Common Stock __ yes __ no

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

Number of shares of Common Stock to be issued:_____

_____
Signature

_____
Name

Delivery Instructions:

_____
_____
_____
_____
_____

Schedule 1

CONVERSION SCHEDULE

This Secured OID Promissory Note due November XX, 2020 in the original principal amount of $1,700,000 is issued by ComSovereign Holding Corp (the "Company"). This Conversion Schedule reflects conversions made under Section 4 of the above referenced Note.

Dated:

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

Exhibit 10.1

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER

by and among

COMSovereign Holding Corp.,

CHC Merger Sub 8, LLC,

Skyline Partners Technology LLC

and

The Members' Representative
Named Herein

Dated as of August 24, 2020

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of August 24, 2020 (the "Agreement Date"), by and among: COMSovereign Holding Corp., a Nevada corporation ("CHC"), CHC Merger Sub 8, LLC, a Colorado limited liability company and a wholly-owned subsidiary of CHC ("Merger Sub"), Skyline Partners Technology LLC, a Colorado limited liability company ("Skyline"), and John Helson, solely in his capacity as the Members' Representative (as defined herein) and only for the limited purposes expressly stated herein. CHC, Merger Sub, Skyline and the Members' Representative may be referred to herein individually as a "Party" and collectively as the "Parties." Certain additional capitalized terms that are used in this Agreement are defined in Section 9.1. Schedule I provides an index to certain capitalized terms that are defined in other provisions of this Agreement.

RECITALS:

A. CHC, Merger Sub and Skyline wish to effect a business combination through the statutory merger of Merger Sub with and into Skyline, pursuant to which Skyline would become a wholly-owned Subsidiary of CHC (the "Merger") on the terms and conditions set forth in this Agreement and in accordance with the Colorado Limited Liability Company Act (the "CLLCA").

B. The Board of Directors of CHC (the "CHC Board") and the Manager of Merger Sub have each: (i) determined that the Merger and the other Contemplated Transactions are fair to and in the best interests of each such Person and its stockholders or members, as the case may by, and (ii) unanimously approved this Agreement, the Merger and the other Contemplated Transactions.

C. The Manager of Merger Sub has recommended to CHC as the sole member of Merger Sub that CHC adopt and approve this Agreement, the Merger and the other Contemplated Transactions, and CHC, as the sole member of Merger Sub has so adopted and approved this Agreement, the Merger and the other Contemplated Transactions.

D. The Board of Directors of Skyline (the "Skyline Board") has: (i) determined that the Merger and the other Contemplated Transactions are fair to and in the best interests of Skyline and its members; (ii) unanimously approved this Agreement, the Merger and the other Contemplated Transactions; and (iii) determined to recommend that the members of Skyline adopt and approve this Agreement, the Merger and the other Contemplated Transactions and the requisite members of Skyline have adopted and approved this Agreement, the Merger and the other Contemplated Transactions.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants, promises and representations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the Parties hereby agree as follows:

ARTICLE I
THE MERGER AND EFFECT ON EQUITY INTERESTS

1.1 The Merger. At the Effective Time and subject to and upon the terms and conditions of this Agreement and the applicable provisions of the CLLCA, Merger Sub shall be merged with and into Skyline, the separate organizational existence of Merger Sub shall cease and Skyline shall continue as the surviving entity in the Merger. As a result of the Merger, the outstanding Skyline Units and membership units of Merger Sub shall be converted or cancelled in the manner provided herein. The organizational existence of Skyline, with all its purposes, rights, privileges, franchises, powers and objects, shall continue unaffected and unimpaired by the Merger except as otherwise may be specifically set forth herein. The surviving company of the Merger after the Merger is sometimes referred to hereinafter as the "Surviving Company".

1.2 Effective Time; Closing. Subject to the provisions of this Agreement, the Parties shall cause the Merger to be consummated by filing the Articles of Merger in substantially the form attached hereto as Exhibit A (the "Statement of Merger") with the Secretary of State of the State of Colorado in accordance with the relevant provisions of the CLLCA. The Statement of Merger shall be duly executed by Skyline and Merger Sub and, concurrently with or as soon as practicable following the Closing, delivered to the Secretary of State of the State of Colorado for filing. The Merger shall become effective upon the filing of the Statement of Merger with the Secretary of State of the State of Colorado or at such later time as Skyline and Merger Sub agree and specify in the Statement of Merger (the "Effective Time"). The closing of the Merger and the other Contemplated Transactions (the "Closing") shall take place remotely and electronically at a time and date to be specified by the parties hereto, which time and date shall be no later than the third (3rd) Business Day after the satisfaction or waiver of the conditions set forth in Article V (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction of or, to the extent permitted hereunder, waiver of all such conditions), unless this Agreement has been terminated pursuant to its terms, or at such other location, time and date as the parties hereto shall mutually agree in writing (the date upon which the Closing actually occurs being referred to herein as the "Closing Date").

1.3 Effect of the Merger. At the Effective Time, the effects of the Merger shall be as provided in this Agreement and the applicable provisions of the CLLCA.

1.4 Articles of Organization; Operating Agreement. At the Effective Time, the limited liability company agreement of Merger Sub, as in effect immediately prior to the Effective Time, shall be the limited liability company agreement of the Surviving Company, until thereafter amended as provided by Law and by the terms of such limited liability company agreement; provided, however, that, as among the Skyline Members only, (i) all provisions of the Skyline Operating Agreement relating to the allocation of profit and loss and tax items for Tax periods ending on or before the Closing Date, (ii) the associated distribution, tax audit and enforcement provisions, both as set forth in the Skyline Operating Agreement immediately prior to Closing, and (iii) provisions related to indemnification of directors and officers, shall survive as a valid and legally binding agreements ("Members' Legacy Agreement").

1.5 Managing Member and Officers of the Surviving Company. At the Effective Time and by virtue of the Merger, CHC shall be the managing member and Manager of the Surviving Company. The officers of Merger Sub immediately prior to the Effective Time shall be the officers of the Surviving Company immediately after the Effective Time, each to hold office in accordance with the provisions of the limited liability company agreement of the Surviving Company.

1.6 Effect on Skyline Units. Subject to the terms and conditions set forth in this Agreement, at the Effective Time, by virtue of the Merger, and without any action on the part of the Parties or the holders of any of the following securities, the following shall occur:

(a) Conversion of Skyline Units. At the Effective Time, the Membership Units and Profit Units of Skyline (the "Skyline Units") issued and outstanding immediately prior to the Effective Time shall be cancelled and extinguished and automatically converted into the right to receive, subject to the terms and conditions hereof, collectively, (i) an amount equal to $1,250,000 in cash *plus* (a) an amount up to $50,000 in respect of expenses previously paid by Skyline related to the Contemplated Transactions in accordance with Section 1.7(a) and specified in Section 1.7(a)(ii) of the Consideration Spreadsheet, *less* (b) the Representative Amount, and *less* (c) any Funded Indebtedness of Skyline on the Closing Date (such net sum, the "CHC Cash Consideration"), (ii) $1,500,000 aggregate principal amount of term debentures of CHC which will be dated as of the Closing Date having the terms and substantially in the form as the form of term debenture annexed hereto as Exhibit B (the "CHC Term Debentures"), and (iii) $11,150,000 aggregate principal amount of convertible debentures of CHC having the terms and substantially in the form as the form of convertible debenture annexed hereto as Exhibit C (the "CHC Convertible Debentures"), which CHC Convertible Debentures shall be convertible by each holder into shares of common stock, par value $0.0001 per share, of CHC (the "CHC Common Stock") as set forth in the CHC Convertible Debentures (collectively, the "Merger Consideration") and which will be dated as of the Closing Date. The Merger Consideration will be allocated to the Skyline Members (including, without limitation, Members holding Profit Units in accordance with the spreadsheet attached hereto as Annex 1.7(a)(i) (the "Consideration Spreadsheet"). For the avoidance of doubt, the Consideration Spreadsheet, as delivered at the Closing, shall be updated by the Members' Representative prior to the Closing Date and shall be conclusive and binding on the Parties and the Skyline Members. For the avoidance of doubt, all right, title and interest in and to the assets identified in Schedule 1.6(a) (the "Excluded Assets") shall be for the account of and benefit of the Skyline Members and to the extent CHC receives payment of any of the Excluded Assets, CHC shall promptly notify the Members' Representative of such payment and distribute such cash payment to the Skyline Members, in such amounts as shall be directed by the Members' Representative.

(b) Warrants. At the Effective Time, all warrants to purchase Skyline Units as listed in Section 2.3(b) of the Skyline Disclosure Letter (the "Skyline Warrants") will have been exercised or terminated.

(c) Treatment of Merger Sub Membership Interests. At the Effective Time, each membership interest of Merger Sub that is issued and outstanding immediately prior to the Effective Time will constitute one membership interest of the Surviving Company. Such membership interests shall be the only membership interests of the Surviving Company that are issued and outstanding.

1.7 Payment of Merger Consideration.

(a) Closing Payments. At Closing, CHC shall deliver or cause to be delivered to the Skyline Members upon delivery of a letter of transmittal (i) the CHC Cash Consideration in immediately available funds to the persons, in the amounts and pursuant to the wire instructions set forth in Section 1.7(a)(i) of the Consideration Spreadsheet, (ii) $1,500,000 aggregate principal amount of the CHC Term Debentures dated as of the Closing Date and issued in the names and the principal amounts set forth in Section 1.7(a)(i) of the Consideration Spreadsheet, and (iii) $5,575,000 aggregate principal amount of the Convertible Debentures dated as of the Closing Date and issued in the names and the principal amounts set forth in Section 1.7(a)(i) of the Consideration Spreadsheet (collectively, the "Closing Consideration"). At the Closing, CHC shall deliver to the Members' Representative, on behalf of the Skyline Members in the names and percentages set forth in Section 1.7(a)(i) of the Consideration Spreadsheet, a Convertible Debenture dated as of the Closing Date payable to the Members' Representative as agent for the individual Skyline Members in the principal amount of $5,575,000 (the "Escrow Debenture") which will be otherwise identical to the Convertible Debentures to be issued to Skyline Members. At the Closing, CHC shall also pay by wire transfer of immediately available funds to the applicable payees specified on Schedule 1.7(a)(ii) of the Consideration Spreadsheet, the transaction expenses payable to each such payee as specified on Schedule 1.7(a)(ii) of the Consideration Spreadsheet; provided, however, that such transaction expenses shall not exceed, when added to the amount included in the determination of the CHC Cash Consideration pursuant to clause (a)(i) of Section 1.6, $50,000 in the aggregate.

(b) Within five (5) Business Days of the termination of the Basic Indemnification Period (the "Settlement Date"), the Members' Representative shall return for exchange the Escrow Debenture and CHC shall issue and deliver to the Skyline Members in the names and percentages set forth in Section 1.7(a)(i) of the Consideration Spreadsheet, an aggregate principal amount of Convertible Debentures, which Convertible Debentures shall be dated the Closing Date and in aggregate equal to $5,575,000 *less* (i) a principal amount of Convertible Debentures having a Value equal to the amount of any Losses incurred prior to the Settlement Date by any CHC Indemnitee that have been definitively determined in accordance with ARTICLE VII, and *less* (ii) a principal amount of Convertible Debentures having a Value equal to a reasonable reserve amount (to be determined jointly by CHC and the Members' Representative in good faith) in respect of any CHC Claims submitted on or prior to the Settlement Date in accordance with ARTICLE VII (provided that if CHC and the Members' Representative cannot agree in good faith on a reasonable reserve amount, the principal amount in this clause (ii) shall equal the aggregate amount claimed by the CHC Indemnitees in all CHC Claim Notices delivered to the Members' Representative on or prior to the Settlement Date that CHC and the Members' Representative have not resolved as of the Settlement Date). Thereafter, CHC shall issue to the Skyline Members, within five (5) Business Days following the date on which any CHC Claim Notice referred to in clause (ii) above is finally resolved, in accordance with Article VII, against any CHC Indemnitee, an aggregate principal amount of Convertible Debentures, dated the Closing Date, having a Value equal to the amount of the applicable CHC Claim Notice, such Convertible Debentures to be issued in the names and percentages set forth in Section 1.7(a)(i) of the Consideration Spreadsheet.

(c) No Further Ownership Rights in Skyline Units. All Closing Consideration and the Escrow Debenture issued and delivered on the Closing Date pursuant to Section 1.7(a)(i) in accordance with the terms hereof shall be deemed to have been issued at the Effective Time in full satisfaction of all rights pertaining to the Skyline Units outstanding on the Closing Date. From and after the Effective Time, the transfer books of Skyline shall be closed and there shall be no further registration of transfers on the transfer books of the Surviving Company of the Skyline Units that were outstanding immediately prior to the Effective Time.

(d) Representative Amount. At the Closing, CHC shall deposit, or cause to be deposited, with the Members' Representative, by wire transfer of immediately available funds to an account designated by the Members' Representative prior to Closing, $50,000 (the "Representative Amount"). The Representative Amount shall be used for the purposes set forth in Section 7.5. The Representative Amount will be deducted from the payments that would otherwise be payable to the Skyline Members on a pro rata basis as shown in Section 1.7(d) of the Consideration Spreadsheet. To the extent any amount becomes payable out of the Representative Amount to the Skyline Members pursuant to Section 7, the Members' Representative shall cause such amount to be paid to the Skyline Members on a pro rata basis as shown in Section 1.7(d) of the Consideration Spreadsheet.

(e) Withholding Rights. Each of the Surviving Company, Merger Sub and CHC shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Skyline Units such amounts as the Surviving Company, Merger Sub or CHC, as applicable, is required to deduct and withhold pursuant to the applicable rules under the Code, or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld or deducted in accordance with the provisions of this Section 1.7(e), and are timely paid to the applicable Governmental Authority in accordance with applicable Law, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Skyline Units in respect of which such deduction and withholding was made by the Surviving Company, Merger Sub or CHC, as applicable. Notwithstanding anything in this Agreement to the contrary, in the event the Surviving Company, Merger Sub or CHC (or any Affiliate thereof) determines that withholding or deduction is required pursuant to applicable tax Law with respect to any payment required to be made under this Agreement to any holder of Skyline Units, the paying party shall provide such holder with a written notice of its intent to withhold or deduct from such payment as soon as reasonably practicable (and, in any case, with sufficient time to allow such holder to prepare and produce any documentation to eliminate or reduce such withholding or deduction). In connection with the foregoing, the Members' Representative shall deliver to CHC prior to the Closing a duly completed and executed IRS Form W-9 from each holder of Skyline Units.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SKYLINE

Skyline hereby represents and warrants to CHC, subject to such exceptions as are specifically disclosed in the disclosure letter supplied by Skyline to CHC, dated as of the Agreement Date (the "Skyline Disclosure Letter"), as follows:

2.1 Organization and Qualification; No Subsidiaries.

(a) Skyline is a limited liability company duly organized, validly existing and in good standing under the Laws of Colorado and has the requisite limited liability company power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted. Skyline is in possession of all franchises, grants, authorizations, licenses, permits, easements, consents, certificates, approvals and orders ("Skyline Approvals") necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted, except where the failure to have such Skyline Approvals would not, individually or in the aggregate, have or reasonably be expected to have a Skyline Material Adverse Effect. Skyline is duly qualified or licensed as a foreign limited liability company to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that would not, either individually or in the aggregate, have or reasonably be expected to have a Skyline Material Adverse Effect.

(b) No Subsidiaries. Skyline has no subsidiaries and owns no debt, equity or other similar interest in any other Person. Skyline has not agreed, nor is Skyline obligated to make, and nor is Skyline bound by, any written, oral or other agreement, contract, sub-contract, lease, binding understanding, instrument, note, option, warranty, purchase order, license, sub-license, insurance policy, benefit plan, commitment, or undertaking of any nature, under which it may become obligated to make, any future investment in or capital contribution to any other Person. Skyline does not directly or indirectly own any equity or similar interest in, or any interest convertible, exchangeable or exercisable for any equity or similar interest in, any other Person.

2.2 Articles of Organization and Operating Agreement. Skyline has previously furnished or made available to CHC complete and correct copies of Skyline's organizational documents (e.g., articles of organization and operating agreement), as amended to date. Such organizational documents are in full force and effect. Skyline is not in violation of any of the provisions of its organizational documents in any material respect.

2.3 Units of Skyline.

(a) Skyline Units will be issued and outstanding as of the Closing Date as set forth on Schedule 2.3(a), which Skyline Units are of the class and are held by the Persons listed on Schedule 2.3(a) of the Skyline Disclosure Letter (the "Skyline Cap Table").

(b) Except as set forth on Schedule 2.3(b) of the Skyline Disclosure Letter or in the Skyline Cap Table, Skyline has no Derivative Security issued and outstanding, or any other obligation of any type pursuant to which any Person has any right to acquire or receive any equity interests in Skyline.

(c) All outstanding Skyline Units have been issued and granted in compliance in all material respects with: (i) all applicable domestic or foreign statutes, laws, rules, regulations or ordinances (each a "Law") applicable to the issuance and sale of securities, and any domestic or foreign judgments, decrees, orders, writs, permits or licenses (each an "Order") or otherwise put into effect by or under the authority of any Governmental Entity; and (ii) all requirements set forth in applicable Contracts, including the Skyline Operating Agreement.

(d) There are no registration rights and there is no voting trust, proxy, rights plan, antitakeover plan or other agreement or understanding to which Skyline is a party or by which it is bound with respect to any equity security of any class of Skyline.

(e) The outstanding Skyline Units are uncertificated.

(f) The allocation of the Merger Consideration among the Skyline Members in the Consideration Spreadsheet has been approved by the Skyline Members in accordance with the Skyline Operating Agreement and no Skyline Member has any claim against Skyline in respect of such allocation.

2.4 Authority Relative to this Agreement. Skyline has all necessary power and authority to execute and deliver this Agreement and all other Transaction Documents to which it is a party (the "Skyline Transaction Documents") and to perform its obligations hereunder and thereunder and, subject to obtaining Skyline Members' Approval, to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Skyline Transaction Documents by Skyline and the consummation by Skyline of the Contemplated Transactions have been duly and validly authorized by all necessary organizational action on the part of Skyline and no other organizational proceedings on the part of Skyline are necessary to authorize this Agreement and the Skyline Transaction Documents or to consummate the transactions so contemplated. This Agreement and the Skyline Transaction Documents have been duly and validly executed and delivered by Skyline and, assuming the due authorization, execution and delivery by the other parties thereto, constitute the legal and binding obligation of Skyline, enforceable against Skyline in accordance with their respective terms, subject to: (i) the effect of bankruptcy, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditor's rights generally; and (ii) general equitable principles (whether considered in a proceeding in equity or at law).

2.5 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement and the Skyline Transaction Documents by Skyline do not, and the performance of this Agreement and the Transaction Documents by Skyline will not: (i) conflict with or violate the organizational documents of Skyline; (ii) subject to obtaining the consents, approvals, authorizations and permits and making the registrations, filings and notifications set forth in Section 2.5(a) of the Skyline Disclosure Letter, conflict with or violate any Law applicable to Skyline or by which its properties are bound or affected; (iii) except as set forth in Section 2.5(a) of the Skyline Disclosure Letter, result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair Skyline's rights or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties or assets of Skyline pursuant to, any material Contract to which Skyline is a party or by which Skyline or any of its properties are bound or affected; or (iv) other than as set forth in the provisions of this Agreement or in Section 2.3 of the Skyline Disclosure Letter, cause the acceleration of any vesting of any awards for or rights to Skyline Units or the payment of or the acceleration of payment of any change in control, severance, bonus or other cash payments or issuance of Skyline Units, except in the case of clauses (ii) and (iii), to the extent such conflict, violation, breach, default, impairment or other effect would not, individually or in the aggregate, reasonably be expected to have a Skyline Material Adverse Effect.

(b) The execution and delivery of this Agreement and the Skyline Transaction Documents by Skyline does not, and the performance of this Agreement and the Skyline Transaction Documents by Skyline will not, require any consent, approval, authorization or permit of, or registration, filing with or notification to, any court, 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 (each, a "Governmental Entity" and, collectively, "Governmental Entities"), except for: (i) applicable requirements, if any, of the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and U.S. state securities laws ("Blue Sky Laws"); (ii) the filing and recordation of the Articles of Merger as required by the CLLCA, as applicable; and (iii) such consents, approvals, authorizations, permits, registrations, filings or notifications as are set forth in Section 2.5(a) of the Skyline Disclosure Letter or which, if not obtained or made, would not have a Skyline Material Adverse Effect.

(c) On the basis of the certificates or acknowledgements executed by the members and the holders of Derivative Securities of Skyline, to the Knowledge of Skyline, there are not more than 35 holders of Skyline Units or Skyline Derivative Securities that are not an "accredited investor" as such term is defined under Regulation D promulgated under the Securities Act; provided that the representation with respect to the holders of the Derivative Securities of Skyline shall only be to the extent that the issuance of the CHC Term Notes or CHC Convertible Debentures to the holders of Derivative Securities of Skyline is required to qualify for an exemption from the registration requirements under Section 5 of the Securities Act.

2.6 Financial Statements.

(a) Skyline is not required to file any reports or documents with the SEC.

(b) The unaudited interim consolidated financial statements of Skyline as of and for the annual period ending December 31, 2019 and the quarter ended June 30, 2020, including, in each case, the notes, if any, thereto (collectively, the "Skyline Financial Statements") attached Section 2.6 of the Skyline Disclosure Letter: (i) fairly present (subject, in the case of the unaudited interim financial statements, to normal year-end audit adjustments (which are not expected to be, individually or in the aggregate, materially adverse to Skyline) and the absence of complete footnotes) in all material respects the financial position of Skyline as at the respective dates thereof and the results of its operations and cash flows for the respective periods then ended; and (ii) were compiled from, and are consistent with, the books and records of Skyline, which books and records are accurate and complete in all material respects.

(c) Skyline is not a party to, nor does Skyline have any commitment to become a party to, any joint venture, off balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among Skyline, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any "off balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material Liabilities of, Skyline in Skyline's financial statements.

(d) Skyline does not currently have outstanding (and will not have outstanding on the Closing Date) any "extensions of credit" (within the meaning of Section 402 of the Sarbanes-Oxley Act of 2002 (including the rules and regulations promulgated thereunder, the "Sarbanes-Oxley Act")) to directors or executive officers (as defined in Rule 3b-7 under the Exchange Act) of Skyline.

2.7 Compliance; Permits.

(a) Except as set forth in Section 2.7(a) of the Skyline Disclosure Letter, Skyline is not in conflict with, or in default or violation of: (i) any Law or Order applicable to Skyline, or by which any of its respective properties is bound or affected; or (ii) any Contract to which Skyline is a party or by which Skyline or any of its respective properties is bound or affected, except for any conflicts, defaults or violations of such Laws, Orders or Contracts that (individually or in the aggregate) would not have or reasonably be expected to have a Skyline Material Adverse Effect. No Governmental Entity has indicated in writing to Skyline an intention to conduct an investigation or review against Skyline, and, to the Knowledge of Skyline, no investigation or review by any Governmental Entity is pending or threatened against Skyline.

(b) Skyline holds all permits, licenses, variances, exemptions, orders and approvals from Governmental Entities which are material to operation of the business of Skyline as currently conducted (collectively, the "Skyline Permits"). To the Knowledge of Skyline, Skyline is in compliance in all material respects with the terms of each of the Skyline Permits applicable to it.

2.8 No Undisclosed Liabilities. Except for matters reflected or reserved against in the balance sheet as of June 30, 2020 included in the Skyline Financial Statements or as disclosed in Section 2.8 of the Skyline Disclosure Letter or with respect to fees and expenses of third parties engaged in connection with the Merger and the transactions contemplated by this Agreement, Skyline has not at such date, and has not incurred since such date, any Liabilities, except Liabilities or obligations which were incurred in the Ordinary Course of Business consistent with past practice (none of which is a Liability for breach of contract, breach of warranty, tort, infringement or a Legal Action for environmental Liability), or Liabilities which, in the aggregate would not be reasonably expected to have an aggregate obligation amount in excess of $100,000.

2.9 Absence of Certain Changes or Events. Since June 30, 2020, except as described in Section 2.9 of the Skyline Disclosure Letter or pursuant to this Agreement, Skyline has not:

(a) sold or transferred (including licensed) or otherwise disposed of any material portion of its assets or properties that would be material to Skyline, except for sales or transfers in the Ordinary Course of Business consistent with past practice;

(b) suffered any material loss, or any material interruption in use, of any material assets or property on account of fire, flood, riot, strike or other hazard or act of God that is not covered by insurance;

(c) suffered any change to its businesses, other than in the Ordinary Course of Business consistent with past practice, which has had, or would reasonably be expected to have, a Skyline Material Adverse Effect;

(d) entered into any Contract that would constitute a Skyline Material Agreement, other than in the Ordinary Course of Business consistent with past practice;

(e) terminated or materially modified, waived any material right under or cancelled any Skyline Material Agreement or waived any material right with respect to any of the items disclosed in Section 2.18 of the Skyline Disclosure Letter;

(f) incurred any Liens on any material assets or property, or any losses, damages, deficiencies, Liabilities, except for Liabilities incurred in the Ordinary Course of Business consistent with past practice which are not material to its businesses;

(g) granted any registration rights with respect to any of its securities;

(h) paid or declared any dividends or other distributions on its equity securities of any class or issued, purchased or redeemed any of its equity securities of any class;

(i) transferred, assigned or granted any license or sublicense of any material rights under, or with respect to, items disclosed in Section 2.17 of the Skyline Disclosure Letter, other than in the Ordinary Course of Business consistent with past practice;

(j) made any material capital expenditures;

(k) split, combined or reclassified any units of its equity securities;

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

(m) amended any of its organizational or constituent documents;

(n) paid any bonuses to, or materially increased any bonuses, salaries, or other compensation to, any director, officer, or employee except in the Ordinary Course of Business consistent with past practice;

(o) made any payments to any Related Party other than as described in Section 2.21 of the Skyline Disclosure Letter and other than wages and benefits that are in the ordinary course and consistent with past practice.

(p) adopted, modified or increased payments or benefits to any Person other than for regular annual raises that are consistent with past practices;

(q) entered into, terminated, or received notice of termination of any (a) license, distributorship, dealer, sales representative, joint venture, credit or similar agreement, or (b) Contract or transaction involving a total remaining commitment of at least $100,000;

(r) materially changed any accounting method, assumption or period, made, changed or revoked any material Tax election, filed an income or other material Tax Return in a jurisdiction in which a Tax Return was not previously filed, failed to file any income or other material Tax Return when due (taking into account extensions of time to file), consented to any extension or waiver of the limitations period applicable to any material Tax claim or assessment, entered into a closing agreement, or settled any administrative or judicial proceeding related to Taxes;

(s) changed any of the material terms in any material respect for the license of its products and services;

(t) instituted, settled or compromised any Legal Actions pending or threatened before any arbitrator, court or other Governmental Entity involving the payment of monetary damages of any amount exceeding $50,000 in the aggregate; or

(u) agreed or committed, whether orally or in writing, to do any of the foregoing.

2.10 Absence of Litigation. Except as otherwise provided in Section 2.10 of the Skyline Disclosure Letter, to the Knowledge of Skyline, there are no Legal Actions pending or threatened against Skyline, or any properties or rights of Skyline, before any Governmental Entity, including, for the avoidance of doubt, the SEC.

2.11 Employee Benefit Plans.

(a) Employee Plans.

(i) Other than those plans, policies or programs required to be maintained by applicable law, Section 2.11(a) of the Skyline Disclosure Letter lists each "employee benefit plan," as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and all other pension, retirement, supplemental retirement, deferred compensation, excess benefit, profit sharing, bonus, incentive, stock purchase, stock ownership, stock option, stock appreciation right, profits interest, employment, severance, salary continuation, termination, change-of-control, health, life, disability, group insurance, vacation, holiday and fringe benefit plan, program, contract, or arrangement (whether written or unwritten, qualified or nonqualified, funded or unfunded and including any that have been frozen or terminated) maintained, contributed to, or required to be contributed to, by:

(A) Skyline; or

(B) any trade or business (whether or not incorporated) which is a member of a controlled group or which is under common control with Skyline within the meaning of Sections 414(b), 414(c), 414(m) or 414(o) of the Code (a "Skyline ERISA Affiliate"), under which Skyline or any Skyline ERISA Affiliate has any Liability with respect to any current or former employee, director, officer or independent contractor of Skyline (the "Skyline Plans").

(ii) To Skyline's Knowledge, Skyline has made available to CHC, as applicable:

(A) correct and complete copies of all documents embodying each Skyline Plan including (without limitation) all amendments thereto, all related trust documents, and all material written agreements and contracts relating to each such Skyline Plan (or, in the case of any unwritten Skyline Plan, a written summary of the material provisions of such plan or agreement);

(B) the three (3) most recent annual reports (Form Series 5500 and all schedules and financial statements attached thereto), if any, required under ERISA or the Code in connection with each Skyline Plan;

(C) the most recent summary plan description together with the summary(ies) of material modifications thereto, if any, required under ERISA with respect to each Skyline Plan;

(D) all IRS determination, opinion, notification and advisory letters;

(E) all material correspondence to or from any Governmental Entity relating to any Skyline Plan;

(F) to the extent available, all discrimination tests for each Skyline Plan for the most recent three (3) plan years;

(G) the most recent annual actuarial valuations and/or periodic accounting, if any, prepared for each Skyline Plan;

(H) all material written agreements and contracts relating to each Skyline Plan, including, but not limited to, administrative service agreements, group annuity contracts and group insurance contracts;

(I) all material communications generally distributed to all employees or former employees within the last three (3) years relating to any amendments, terminations, establishments, increases or decreases in benefits, acceleration of payments or vesting schedules or other events which would result in any material Liability under any Skyline Plan or proposed Skyline Plan; and

(J) all policies pertaining to fiduciary liability insurance covering the fiduciaries for each Skyline Plan.

(b) To Skyline's Knowledge, each member of Skyline and each Skyline ERISA Affiliate is in compliance in all material respects with the provisions of ERISA, the Code and all statutes, orders, rules and regulations (foreign or domestic) applicable to the Skyline Plans. To Skyline's Knowledge, each Skyline Plan is and has been maintained, operated and administered in compliance in all material respects with its terms and any related documents or agreements and the applicable provisions of ERISA, the Code and all statutes, orders, rules and regulations (foreign or domestic) which are applicable to such Skyline Plans.

(c) No Legal Action (excluding individual claims for benefits incurred in the normal operation of each Skyline Plan) has been brought, or, to the Knowledge of Skyline, is threatened, against or with respect to any such Skyline Plan. No member of Skyline has received any correspondence from the IRS or the DOL regarding, and, to the Knowledge of Skyline, there are no audits, enquiries or proceedings pending or, threatened by the IRS or the DOL with respect to any Skyline Plans. All contributions, reserves or premium payments required to be made or accrued as of the Closing Date to the Skyline Plans have or will have been timely made or accrued.

(d) Any Skyline Plan intended to be qualified under Section 401(a) of the Code and each trust intended to qualify under Section 501(a) of the Code has obtained (or has an outstanding application for or, in the case of a prototype plan, is entitled to rely upon) a favorable determination, notification, advisory and/or an opinion letter, as applicable, as to its qualified status from the IRS, and, to the Knowledge of Skyline, nothing has occurred with regard to each such pension plan and the related trusts that could jeopardize such qualified status and exemption from taxation under Section 501(a) of the Code. Skyline does not have any plan or commitment to establish any new Skyline Plan, to materially modify any Skyline Plan (except to the extent required by Law or to conform any such Skyline Plan to the requirements of any applicable Law, in each case as previously disclosed to CHC in writing, or as required by this Agreement), or to enter into any new Skyline Plan.

(e) No Skyline Plan is now or at any time has been subject to Part 3, Subtitle B of Title I of ERISA or Title IV of ERISA. Neither Skyline nor any Skyline ERISA Affiliate has ever contributed to or been required to contribute to any "multiemployer plan" (within the meaning of Section 3(37) of ERISA) and neither Skyline nor any Skyline ERISA Affiliate has any Liability (contingent or otherwise) relating to the withdrawal or partial withdrawal from a multiemployer plan. Skyline is not subject to any Liability or penalty under Section 4975 through 4980B of the Code or Title I of ERISA (other than routine claims for benefits under any Skyline Plan). No "prohibited transaction," within the meaning of Section 4975 of the Code or Sections 406 and 407 of ERISA, and not otherwise exempt under Section 408 of ERISA, has occurred with respect to any Skyline Plan that would reasonably be expected to impose a material Liability on Skyline.

(f) Skyline does not have and is not required to have any International Employee Plans.

(g) Skyline and, to the Knowledge of Skyline, each Skyline ERISA Affiliate have complied in all material respects with the notice and continuation coverage requirements of Section 4980B of the Code and the regulations thereunder ("COBRA"). None of the Skyline Plans promises or provides retiree medical or other retiree welfare benefits to any Person except as required by applicable Law, and Skyline has not represented, promised or contracted (whether in oral or written form) to provide such retiree benefits to any employee, former employee, director, consultant or other Person, except to the extent required by Law.

(h) Except as set forth in Section 2.11(h) of the Skyline Disclosure Letter or in this Agreement, neither the execution and delivery of this Agreement or the Skyline Transaction Documents nor the consummation of the Contemplated Transactions, solely by themselves, will: (i) result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any member, director or employee of Skyline under any Skyline Plan or otherwise; (ii) increase any benefits otherwise payable by Skyline to any employee or service provider; (iii) limit the right to merge, amend or terminate any Skyline Plan; or (iv) result in the acceleration of the time of payment or vesting of any such benefits.

(i) No payment or benefit that will or may be made by Skyline or its ERISA Affiliates with respect to any employee, former employee, director, officer or independent contractor of Skyline under an arrangement existing prior to the Closing, either alone or in conjunction with any other payment, event or occurrence, (X) will or would reasonably be characterized as an "excess parachute payment" under Section 280G of the Code as a result of the transactions contemplated by this Agreement or (Y) will not be fully deductible as a result of Section 162(m) of the Code as a result of circumstances existing prior to the Closing. There is no Contract to which Skyline is a party or by which it is bound to compensate any individual for excise taxes paid pursuant to Section 4999 of the Code.

(j) Section 2.11(j) of the Skyline Disclosure Letter sets forth the name, title (or job description) and current annual salary of all employees of Skyline.

(k) Except as would not reasonably be expected to result in a material liability to Skyline, each Skyline Plan that constitutes a "non-qualified deferred compensation plan" within the meaning of Section 409A of the Code complies in both form and operation with the requirements of Section 409A of the Code so that no amounts paid pursuant to any such Skyline Plan is subject to tax under Section 409A of the Code.

(l) Skyline and each Skyline ERISA Affiliate has, for purposes of each Skyline Plan, correctly classified all individuals performing services for Skyline as common law employees, leased employees, independent contractors or agents, as applicable.

2.12 Labor Matters.

(a) Skyline is not a party to any collective bargaining agreement or other labor union contract applicable to Persons employed by Skyline nor does Skyline know of any activities or proceedings of any labor union to organize any such employees. Skyline does not have any Knowledge of any strikes, slowdowns, work stoppages or lockouts, or threats thereof, by or with respect to any employees of Skyline.

(b) Except as disclosed in Section 2.12(b) of the Skyline Disclosure Letter, during the past three (3) years: (i) Skyline is and has been in material compliance with all applicable Laws with respect to labor and employment, including, without limitation, Laws with respect to fair employment practices, discrimination, immigration and naturalization, retaliation, work place safety and health, unemployment compensation, workers' compensation, affirmative action, terms and conditions of employment and wages and hours; (ii) to the Knowledge of Skyline, there have been no Legal Actions pending before any Governmental Entity, or threats thereof with respect to labor and employment matters, including Legal Actions between Skyline (on the one hand) and any of the current or former employees or current or former workers of Skyline (on the other hand); (iii) there have been no written notices of charges of discrimination in employment or employment practices for any reason or noncompliance with any other Law with respect to labor or employment that have been asserted, or, to the Knowledge of Skyline, overt threats thereof, before the United States Equal Employment Opportunity Commission or any other Governmental Entity; (iv) Skyline has not been a party to, or otherwise bound by, any consent decree or settlement agreement with, or citation by, any Governmental Entity relating to the current or former employees or employment practices; and (v) to the Knowledge of Skyline, Skyline has not been subject to any audit or investigation by the Occupational Safety and Health Administration, the DOL, or other Governmental Entity with respect to labor or employment Laws or with respect to the employees of Skyline, or subject to fines, penalties, or assessments associated with such audits or investigations.

(c) To the Knowledge of Skyline, all of the employees of Skyline are: (i) United States citizens or lawful permanent residents of the United States; (ii) aliens whose right to work in the United States is unrestricted; or (iii) aliens who have valid, unexpired work authorizations issued by the United States government.

(d) To the Knowledge of Skyline, Skyline has properly treated all individuals performing rendered services to Skyline as employees, leased employees, independent contractors or agents, as applicable, for all federal, state, local and foreign Tax purposes. Within the last six (6) years there has been no determination by any Governmental Entity that any service provider treated by Skyline as an independent contractor should have been treated as an employee of Skyline.

2.13 Restrictions on Business Activities. There is no agreement, commitment, judgment, injunction, order or decree binding upon Skyline or to which Skyline is a party which has or would reasonably be expected to have the effect, in any material respect, of prohibiting or impairing any present business practice of Skyline, any acquisition of property by Skyline or the conduct of business by Skyline as currently conducted.

2.14 Title to Property.

(a) Skyline owns no real property. Section 2.14 of the Skyline Disclosure Letter identifies by street address all real property leased or subleased by Skyline (the "Skyline Leased Real Estate"). All Skyline Leased Real Estate is leased or licensed to Skyline pursuant to written leases or Contracts, complete and accurate copies of which have been previously delivered or made available to CHC (collectively the "Skyline Leases"). Skyline has a valid leasehold interest in Skyline Leased Real Estate, free and clear of all Liens. Skyline has not subleased any Skyline Leased Real Estate. Skyline Leased Real Estate is not subject to any third-party licenses, concessions, leases or tenancies of any kind, except as indicated on Section 2.14 of the Skyline Disclosure Letter. Skyline Leases are in full force and effect. To the Knowledge of Skyline, there are no defaults in any material respect on the part of any landlord, sublandlord, licensor or Skyline under the Skyline Leases. Skyline has performed in all material respects all of the obligations on its part to be performed under the Skyline Leases. No written consent of any landlord or sublandlord or any licensor under Skyline Leases is required or necessary in order to consummate the transactions contemplated by this Agreement and the Skyline Transaction Documents except as otherwise provided in Section 2.14 of the Skyline Disclosure Letter.

(b) Skyline has not received written notice that the use or occupancy of Skyline Leased Real Estate violates in any material respect any covenants, conditions or restrictions that encumber such property, or that any such property is subject to any restriction for which any material permits necessary to the current use thereof have not been obtained.

(c) There are no pending or, to the Knowledge of Skyline, threatened, condemnation proceedings with respect to any material portion of Skyline Leased Real Estate.

2.15 Taxes. Except as disclosed on Schedule 2.15:

(a) Definition of Taxes. For all purposes of and under this Agreement, "Tax" or "Taxes" refers to any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties and impositions relating to taxes, including taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, excise and property taxes, together with all interest, penalties, backup withholding and additions imposed with respect to such amounts.

(b) Tax Returns and Audits. Except as may be disclosed by Skyline in Section 2.15 of the Skyline Disclosure Letter:

(i) Skyline has timely filed all material federal, state, local and foreign returns, declarations, estimates, information statements and reports (including any schedule or attachment thereto) relating to Taxes ("Tax Returns") required to be filed by Skyline, in all the jurisdictions in which it is or was required to file. Such Tax Returns are true and correct in all material respects, have been completed in all material respects in accordance with applicable Law, and all Taxes shown to be due on such Tax Returns have been paid.

(ii) Skyline has delivered or made available to CHC correct and complete copies of all Tax Returns (including extensions thereof), examination reports, statements of deficiencies assessed against or agreed to by Skyline, and other material correspondence with Taxing authorities filed or received with respect to periods beginning on or after January 1, 2017. There are no liens for Taxes (other than Taxes not yet due and payable or the amount or validity of which is being contested in good faith and for which adequate reserves have been established) upon any assets of Skyline or its stock. All Taxes not yet due and payable have been properly accrued on the books of Skyline, and adequate reserves have been established therefor; the charges, accruals and reserves for Taxes provided for on the financial statements delivered to CHC are adequate in all material respects.

(iii) There is no Tax deficiency outstanding, proposed in a writing delivered to Skyline or assessed against Skyline by a Taxing authority, nor has Skyline executed any unexpired waiver or extension of any statute of limitations for the assessment, reassessment or collection of any Tax, and no power of attorney granted by Skyline with respect to any Taxes is currently in force.

(iv) No Tax audits or other administrative proceedings or court proceedings are presently pending or in progress with regard to any Taxes or Tax Returns of Skyline.

(v) Skyline has not been a member of any consolidated, combined or unitary group for federal, state, local or foreign Tax purposes. Skyline has no liability for Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise. Skyline has not been a party to any joint venture, partnership or other arrangement that could be treated as a partnership for federal income Tax purposes (apart from Skyline's own classification as a partnership for federal income tax purposes). Skyline has not made an election pursuant to Treasury Regulations Section 301.7701-3 (or any comparable provision of any state, local or foreign Law) to be treated as an association taxable as a corporation for U.S. federal income tax purposes.

(vi) Skyline has (i) withheld all Taxes required to be withheld from its employees, agents, contractors and nonresident members and remitted such amounts to the proper agencies; (ii) paid all required employer contributions and premiums and (iii) filed all Tax Returns with respect to employee income tax withholdings, Social Security and unemployment taxes and premiums, and other payroll Taxes, all in compliance with the withholding Tax provisions of applicable Tax laws.

(vii) Skyline has not entered into any closing agreement which affects any Taxes of Skyline for any taxable year ending after the Closing Date. Skyline is not a party to any Tax sharing, Tax indemnity, Tax allocation agreement or similar arrangement for the sharing of Tax liabilities or benefits (other than customary Tax indemnifications contained in credit or other commercial agreements the primary purpose of which agreements does not relate to Taxes).

(viii) Skyline has not agreed to, and is not required to, make any adjustment by reason of a change in accounting method that affects any taxable year ending after the Closing Date (other than changes required by the Merger). No Taxing authority has proposed to Skyline any such adjustment or change in accounting methods that affects any taxable year ending after the Closing Date. Skyline does not have any application pending with any Taxing authority requesting permission for any changes in accounting methods that relate to its business or operations and that affects any taxable year ending after the Closing Date.

(ix) No asset of Skyline is "tax exempt use property" under Code Section 168(h). No portion of the cost of any asset of Skyline has been financed directly or indirectly from the proceeds of any tax-exempt state or local government obligation described in Code Section 103(a).

(x) None of the assets of Skyline is property that Skyline is required to treat as being owned by any other person pursuant to the safe harbor lease provision of former Code Section 168(f)(8).

(xi) No written claim has been made by a Taxing authority that Skyline has not properly paid Taxes or filed Tax Returns in a jurisdiction in which Skyline does not file a Tax Return.

(xii) In the past five (5) years, Skyline has not been a party to a transaction that has been reported as a reorganization within the meaning of Code Section 368 or distributed a corporation (or been distributed) in a transaction that is reported to qualify under Code Section 355 or Section 356.

(xiii) Skyline has not engaged in any transaction which is a "listed transaction" within the meaning of Income Tax Regulation Section 1.6011-4(b)(2), or otherwise a "reportable transaction" for purposes of Code Section 6011, that could affect the income Tax liability for any taxable year not closed by the statute of limitations.

(c) Section 2.9(r), Section 2.11, Section 2.12(d) and this Section 2.15 contain the sole and exclusive representations and warranties of Skyline relating to Tax Matters, including compliance with and liabilities arising under Tax Laws, and any claim for breach of representation with respect to Taxes shall be based solely on the representations in Section 2.9(r), Section 2.11, Section 2.12(d) and this Section 2.15 and shall not be based on the representations set forth in any other provision of this Agreement. CHC shall not be entitled to rely on this Section 2.15 to determine the jurisdiction in which to file Tax Returns in Post-Closing Tax Periods.

2.16 Environmental Matters.

(a) To the Knowledge of Skyline, Skyline is in compliance, in all material respects, with all applicable Environmental Laws and Environmental Permits.

(b) Skyline is not required to hold any Environmental Permits for the operation of its businesses.

(c) To the Knowledge of Skyline, there is no Environmental Claim pending or overtly threatened against Skyline nor is there any reasonable basis for any such claim or any Liability, in each case, under any applicable Environmental Law.

2.17 Intellectual Property.

(a) Section 2.17(a)(i) of the Skyline Disclosure Letter contains an accurate and complete list of all Skyline Registered Intellectual Property Rights, specifying as to each such Registered Intellectual Property Right, as applicable: (i) the jurisdictions by or in which such Registered Intellectual Property Right has been issued or registered or in which an application for such issuance or registration has been filed; (ii) the registration or application numbers thereof; and (iii) the date the Registered Intellectual Property Right was granted or such application was filed. Section 2.17(ii) contains an accurate and complete list of all Skyline Licensed Intellectual Property Rights, specifying as to each such Licensed Intellectual Property Right, as applicable: (i) the name and address of the licensor; and (ii) a brief description of the technology licensed. Section 2.17(a)(iii) of the Skyline Disclosure Letter contains an accurate and complete list of all Skyline Intellectual Property Rights that are material to the business of Skyline, both owned and licensed. Section 2.17(a) of the Skyline Disclosure Letter contains an accurate and complete list of all material Computer Software that is owned, licensed, leased or otherwise used in the business of Skyline, excluding (x) commercially available "shrink-wrap" software, and (y) Computer Software that Skyline receives as "free software," "open source software" or under a similar licensing or distribution model. Section 2.17(a) of the Skyline Disclosure Letter lists all material Computer Software and service offerings that have been licensed, sold, distributed or provided to third parties on or after January 1, 2016 under which Skyline is obligated to provide maintenance or support (collectively, "Skyline Products"). Skyline does not own or have any interest in any patents or patent applications.

(b) Section 2.17(b) of the Skyline Disclosure Letter lists all License Agreements and Contracts under which Skyline has granted any third-party rights that are exclusive, or exclusive of all other third parties, to use, sublicense, resell or distribute any Skyline Intellectual Property Right. Section 2.17(b) of the Skyline Disclosure Letter lists any material License Agreements and Contracts under which (x) Skyline has deposited or is obligated to deposit source code or other proprietary materials in escrow for the benefit of a third party, or (y) a third party is or under any circumstances may be entitled to receive source code directly from Skyline or from escrow.

(c) Skyline is not a party to any License Agreements, forbearances to sue, consents, judgments, orders or similar obligations, in each case, that restrict the rights of Skyline to use or enforce any Skyline Intellectual Property Rights.

(d) Except as listed in Section 2.17(d), Skyline owns all right, title, and interest, free and clear of all security interests and similar encumbrances, in and to all Skyline Intellectual Property Rights. Except as listed in Section 2.17(d) of the Skyline Disclosure Letter, Skyline is listed in the records of the appropriate United States, state or foreign agency as the sole owner for each Skyline Registered Intellectual Property Right.

(e) To the Knowledge of Skyline, Skyline's Licensed Intellectual Property Rights and Skyline Intellectual Property Rights together constitute all the Intellectual Property Rights necessary to conduct the business of Skyline as currently conducted. To Skyline's Knowledge, the conduct of the business of Skyline as such business is currently conducted, including the design, development, marketing and sale of Skyline Products and services: (i) does not infringe, misappropriate or otherwise violate the Intellectual Property Rights of any third party; and (ii) does not constitute unfair competition or unfair trade practices under the Laws in the United States.

(f) Skyline has not received any written, or, to the Knowledge of Skyline, oral, communications from any third party that claim that the operation of the business of Skyline, or any act of Skyline, or any Skyline Product or service, or the use of any Skyline Product or service, infringes, misappropriates or otherwise violates the Intellectual Property Rights of any third party or constitutes unfair competition or unfair trade practices under the Laws of any jurisdiction. Skyline has not received any written communication from a third party pursuant to which the third party offered Skyline a license to use any technology or Intellectual Property Rights in order to avoid a claim of infringement or misappropriation.

(g) Skyline has not received written notice of, and there is no pending or, to the Knowledge of Skyline, threatened, Legal Action by a third party before any Governmental Entity in any jurisdiction challenging the ownership, use, validity, enforceability or registrability of any Skyline Intellectual Property Rights. There is no pending or, to the Knowledge of Skyline, threatened, Legal Action relating to the business of Skyline before any Governmental Entity in any jurisdiction challenging the ownership, use, validity, enforceability, or registrability of any of Skyline's Licensed Intellectual Property Rights or the rights of Skyline to use or exploit any of Skyline's Licensed Intellectual Property Rights, in each case, other than as would not be reasonably expected to result in a Skyline Material Adverse Effect.

(h) To the Knowledge of Skyline but without investigation by or for Skyline, no Person has infringed, misappropriated, or otherwise violated, or is infringing, misappropriating, or otherwise violating, any Skyline Intellectual Property Rights. Skyline has not brought any Legal Action against any third-party alleging infringement, misappropriation or violation of Skyline Intellectual Property Rights that remain unresolved. Skyline has the sole and exclusive right to bring a Legal Action against a third party for infringement or violation of Skyline Intellectual Property Rights.

(i) To the Knowledge of Skyline, Skyline Intellectual Property Rights are subsisting, in full force and effect, have not been cancelled or abandoned, have not expired, and, with respect to Skyline Registered Intellectual Property Rights only, are valid and enforceable. To the Knowledge of Skyline, neither Skyline nor any of its officers, employees or agents have knowingly done, or failed to do, any act or thing which may, after the Effective Time, materially prejudice the validity or enforceability of any Skyline Intellectual Property Rights. All necessary registration, maintenance and renewal fees in connection with any Skyline Registered Intellectual Property Rights have been paid and all necessary documents, recordations and certificates in connection with such Skyline Registered Intellectual Property Rights have been filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of maintaining such Skyline Registered Intellectual Property Rights.

(j) Skyline has made commercially reasonable efforts to protect its trade secrets and preserve their status as intellectual property under applicable Law. Skyline's practice is to require all employees, contractors and other parties having access to such trade secrets to execute a proprietary information/confidentiality agreement with Skyline.

(k) Following the Effective Time, the Surviving Company will be permitted upon its compliance with any notices or similar regulatory requirements to exercise all of the rights of Skyline under such License Agreements or Contracts to the same extent Skyline would have been able to had the Contemplated Transactions not occurred and without the payment of additional amounts or consideration other than ongoing fees, royalties or payments which Skyline would otherwise be required to pay. The consummation of the Merger and the Contemplated Transactions will not: (i) result in the breach, modification, cancellation, termination, or suspension of any of Skyline's License Agreements or any Contract with any customer of Skyline, or give any Person (other than Skyline) or a party to any of Skyline's License Agreements or any Contract with any customer of Skyline the right to do any of the foregoing; (ii) give rise to a right by any third party to obtain, directly from Skyline or from escrow, source code for Computer Software or other proprietary materials of Skyline; (iii) result in the loss or impairment of Skyline's ownership of or right to use Skyline Intellectual Property Rights or Licensed Intellectual Property Rights; or (iv) cause the Surviving Company or any of its Affiliates (x) to be bound by any non-compete or other restriction on the operation of any business or (y) to grant any rights or licenses to any Intellectual Property Rights of the Surviving Company or any of its Affiliates to a third party (including, without limitation, a covenant not to sue).

(l) To Skyline's Knowledge, since December 31, 2017, Skyline has complied in all material respects with all applicable Laws and regulations relating to privacy, data protection and the collection and use of personally identifiable information gathered or accessed in the course of the operations of Skyline. Skyline has complied in all material respects with all rules, policies and procedures established by Skyline from time to time with respect to the foregoing, if any. No claims are pending or, to Skyline's Knowledge, threatened or likely to be asserted, against Skyline by any Person alleging a violation of such Person's privacy, personal or confidentiality rights under any such Laws, regulations, rules, policies or procedures. To Skyline's Knowledge, the consummation of the Merger and the Contemplated Transactions will not breach or otherwise cause any violation of any such Laws, regulations, rules, policies or procedures.

(m) With respect to sensitive personally identifiable information, to Skyline's Knowledge, Skyline has taken all commercially reasonable steps (including, without limitation, implementing and monitoring compliance with adequate measures with respect to technical and physical security) to ensure that the information is protected against loss and against unauthorized access, use, modification, disclosure or other misuse. To the Knowledge of Skyline, there has been no unauthorized access to or other misuse of that information.

2.18 Material Agreements. Section 2.18 of the Skyline Disclosure Letter sets forth a list of all Skyline Material Agreements. All of the Skyline Material Agreements are in full force and effect and constitute the valid, legal and binding obligation of Skyline and, to the Knowledge of Skyline, constitute the valid, legal and binding obligation of the other parties thereof, enforceable against each such Person in accordance with its terms, subject to: (i) the effect of bankruptcy, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditor's rights generally; and (ii) general equitable principles (whether considered in a proceeding in equity or at law). There are no material breaches or defaults by Skyline under any of the Skyline Material Agreements or, to the Knowledge of Skyline, events which with notice or the passage of time would constitute a material breach or default by Skyline, and, to the Knowledge of Skyline, there is no material breach or default from any other party under any of the Skyline Material Agreements. Skyline has made available to CHC true and complete copies of all Skyline Material Agreements, including all amendments thereto. All consents and approvals required under the Skyline Material Agreements in order for the Transactions to be consummated without a breach or default occurring under the Skyline Material Agreements have been obtained and are in full force and effect as of the Agreement Date.

2.19 Customers and Suppliers. Skyline has delivered or made available to CHC a list identifying each customer of Skyline from which, for the twelve (12) month period ended December 31, 2019, Skyline received revenue in excess of $100,000 for such period (collectively, "Skyline Major Customers"). Section 2.19 of the Skyline Disclosure Letter sets forth the names of the ten (10) largest suppliers (by expenditure) to Skyline for the twelve (12) month period ended December 31, 2019. Within the preceding twelve (12) months, Skyline has not received written or, to the Knowledge of Skyline, oral, notice that any Skyline Major Customer or supplier listed in Section 2.19 of the Skyline Disclosure Letter has: (i) threatened to cancel, suspend or otherwise terminate, or intends to cancel, suspend or otherwise terminate, any relationships of such Person with Skyline; (ii) decreased materially or threatened to stop, decrease or limit materially, or intends to modify materially its relationships with Skyline; or (iii) intends to refuse to pay any amount due to Skyline or seek to exercise any remedy against Skyline. Skyline has not, within the past twelve (12) months, been engaged in any material dispute with any Skyline Major Customer or supplier listed in Section 2.19 of the Skyline Disclosure Letter. Skyline is in compliance in all material respects with the insurance requirements set forth in its agreements with each of its customers.

2.20 Agreements with Regulatory Agencies. Skyline is not (a) subject to any cease-and-desist or other Order issued by, (b) a party to any Contract, consent agreement or memorandum of understanding with, (c) a party to any commitment letter or similar undertaking to, (d) subject to any order or directive by, (e) a recipient of any extraordinary supervisory letter from, and (f) has not adopted any board resolutions at the request of (each of clauses (a)-(e) of this Section 2.20, a "Regulatory Agreement"), any Governmental Entity that restricts the conduct of its business or that in any manner relates to its management or its business, or would reasonably be expected, following the Merger and the consummation of the Contemplated Transactions, to impair in any material respect the Surviving Company's ability to conduct the business of Skyline after the Effective Time, as presently conducted. Skyline has not been informed in writing by any Governmental Entity that such Governmental Entity is considering issuing or requesting any Regulatory Agreement, except for any such proposed Regulatory Agreements that, individually or in the aggregate, would not have or reasonably be expected to result in a Skyline Material Adverse Effect.

2.21 Related Party Transactions. Other than in respect of Contracts, interests related to employment or consulting or contracting in the Ordinary Course of Business, with respect to options or warrants issued as shown on the Skyline Cap Table, or as disclosed in Section 2.21 of the Skyline Disclosure Letter, no Related Party is a party to any Contract with or binding upon Skyline or any of its assets, rights or properties or has any interest in any property owned by Skyline or has engaged in any transaction with any of the foregoing within the last twelve (12) months or during the calendar year 2019.

2.22 Accounts Receivable. The accounts receivable of Skyline outstanding at the Effective Time represent or will represent valid, bona fide claims against debtors for sales or other charges arising from sales actually made or services actually performed by Skyline in the Ordinary Course of Business and in conformity in all material respects with the applicable purchase orders, agreements and specifications, and such accounts receivable are not, to the Knowledge of Skyline, subject to any material defenses, set-offs or counterclaims. Skyline has performed in all material respects all obligations with respect to such accounts receivable which it was obligated to perform. Skyline will bill all unbilled receivables in the Ordinary Course of Business consistent with past practice.

2.23 Deferred Revenue. The deferred revenue balance of Skyline represents or will represent valid, bona fide obligations of Skyline to perform services in the Ordinary Course of Business consistent with past practices and the amount of cash payable to Skyline under such Contracts (including amounts that will have been paid as of the Effective Time) has not been modified or accelerated in any material respects from the payment obligations of the agreement when initially executed and delivered. To the Knowledge of Skyline, the obligations of Skyline under the Contracts underlying the deferred revenue amounts of Skyline were incurred in the Ordinary Course of Business consistent with past practices.

2.24 Insurance. All casualty, general liability, business interruption, product liability, director and officer liability, worker's compensation, environmental, automobile and sprinkler and water damage and other insurance policies and bond and surety arrangements maintained by Skyline are listed in Section 2.24 of the Skyline Disclosure Letter (the "Skyline Insurance Policies") and true and complete copies of the Skyline Insurance Policies have been made available to CHC. Skyline has not received any written notice of cancellation or premium increase with respect to or alteration of coverage under any Skyline Insurance Policy with respect to such Skyline Insurance Policies other than such that are consistent with insurance policy premium increases and coverages, generally. There are no claims related to the business of Skyline pending under any Skyline Insurance Policy as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights.

2.25 Board Approval. The Board of Directors of Skyline has unanimously: (i) approved this Agreement and the Contemplated Transactions; (ii) determined that the Merger is fair to and in the best interests of the members of Skyline; and (iii) recommended that the members of Skyline approve and adopt this Agreement and approve the Merger (collectively, the "Skyline Board Recommendation").

2.26 Member Approval. The requisite holders of the Skyline Units (the "Skyline Members' Approval") have (i) approved this Agreement and the Contemplated Transactions; and (ii) determined that the Merger is fair to and in the best interests of the members of Skyline.

2.27 Brokers. Skyline has not incurred, nor will it incur, directly or indirectly, any Liability for brokerage or finder's fees or agent's commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF CHC

CHC hereby represents and warrants to Skyline, subject to such exceptions as are specifically disclosed in writing (with reference to a specific section of this Agreement to which each such exception applies) in the disclosure letter supplied by CHC to Skyline, dated as of the Agreement Date (the "CHC Disclosure Letter") or as disclosed in the CHC SEC Documents, as set forth below in this Article III. As used in this Article III, unless the context indicates otherwise, the term "CHC Group" (as defined in Section 3.1(a)) means each entity comprising the CHC Group.

3.1 Organization and Qualification; Subsidiaries.

(a) Each of CHC and its wholly owned subsidiaries disclosed on Section 3.1(a) of the CHC Disclosure Letter (together, the "CHC Subsidiaries" and, together with CHC, the "CHC Group"), is a corporation or limited liability company duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and has the requisite corporate or company power and authority to own, lease and operate its assets and properties and to carry on its business as it is now being conducted. The CHC Group is in possession of all franchises, grants, authorizations, licenses, permits, easements, consents, certificates, approvals and orders ("CHC Approvals") necessary to own, lease and operate the properties it purports to own, operate or lease and to carry on its business as it is now being conducted, except where the failure to have such CHC Approvals would not, individually or in the aggregate, have or reasonably be expected to have a CHC Material Adverse Effect. Each member of the CHC Group is duly qualified or licensed as a foreign corporation or company, as applicable, to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its activities makes such qualification or licensing necessary, except for such failures to be so duly qualified or licensed and in good standing that would not, either individually or in the aggregate, have or reasonably be expected to have a CHC Material Adverse Effect. CHC directly owns beneficially and of record all outstanding equity interests of Merger Sub, and no other Person holds any capital stock and other equity interests of Merger Sub nor has any rights to acquire any interest in Merger Sub.

(b) No Subsidiaries. CHC has no subsidiaries, except for the CHC Subsidiaries, and owns no debt, equity or other similar interest in any other Person, except for the CHC Subsidiaries. None of the CHC Subsidiaries own any debt, equity or other similar interest in any other Person, except for one or more CHC Subsidiaries. No member of the CHC Group has agreed, nor is any such Person obligated to make, and nor is any such Person bound by, any written, oral or other agreement, contract, sub-contract, lease, binding understanding, instrument, note, option, warranty, purchase order, license, sub-license, insurance policy, benefit plan, commitment, or undertaking of any nature, under which it may become obligated to make, any future investment in or capital contribution to any other Person. No member of the CHC Group directly or indirectly owns any equity or similar interest in, or any interest convertible, exchangeable or exercisable for any equity or similar interest in, any other Person other than one or more CHC Subsidiaries.

(c) No Prior Merger Sub Operations. The Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the Merger.

3.2 Capital Stock of CHC. The authorized and issued capital stock of CHC consists of the following:

(a) Preferred stock, $0.0001 par value: authorized shares of 100,000,000, of which no shares are designated, issued or outstanding.

(b) CHC Common Stock, $0.0001 par value: authorized shares 300,000,000 of which 140,802,285 shares are issued and outstanding as of the date hereof and, except for any shares of CHC Common Stock to be issued in the Private Placement or upon the exercise or conversion of any Derivative Security of CHC outstanding on the date hereof, immediately prior to the Effective Time;

(c) Except as set forth on Schedule 3.2(c) of the CHC Disclosure Letter, CHC has no Derivative Security issued and outstanding, or any other obligation of any type pursuant to which any Person has any right to acquire or receive any equity securities of CHC.

(d) All outstanding shares of CHC Common Stock have been issued and granted in compliance in all material respects with: (i) all applicable domestic or foreign statutes, laws, rules, regulations or ordinances (each a "Law") relating to the issuance of securities, and any domestic or foreign judgments, decrees, orders, writs, permits or licenses (each an "Order") or otherwise put into effect by or under the authority of any Governmental Entity; and (ii) all requirements set forth in applicable Contracts.

(e) There are no registration rights and there is no voting trust, proxy, rights plan, antitakeover plan or other agreement or understanding to which CHC is a party or by which it is bound with respect to any equity security of any class of CHC.

(f) CHC is the only member of Merger Sub.

(g) There are no Derivative Securities issued by Merger Sub or any other CHC Subsidiary (or otherwise outstanding).

3.3 Authority Relative to this Agreement. Each of CHC and Merger Sub has all necessary corporate or organizational power and authority to execute and deliver this Agreement and all other Transaction Documents to which it is a party (the "CHC Transaction Documents") and to perform its obligations hereunder and thereunder and, to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the CHC Transaction Documents by CHC and Merger Sub, and the consummation by CHC and Merger Sub of the Contemplated Transactions, have been duly and validly authorized by all necessary corporate or organizational action on the part of CHC and Merger Sub, and no other corporate or organizational proceedings on the part of CHC or Merger Sub are necessary to authorize this Agreement and the CHC Transaction Documents or to consummate the transactions so contemplated. This Agreement and the CHC Transaction Documents have been duly and validly executed and delivered by CHC and Merger Sub and, assuming the due authorization, execution and delivery by the other parties thereto, constitute the legal and binding obligation of CHC and Merger Sub, enforceable against CHC and Merger Sub in accordance with their respective terms, subject to: (i) the effect of bankruptcy, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditor's rights generally; and (ii) general equitable principles (whether considered in a proceeding in equity or at law).

3.4 Valid Issuance of Shares. The CHC Common Stock and the shares underlying the CHC Convertible Debentures, when issued and delivered in accordance with the terms set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under applicable state and federal securities laws. Assuming the accuracy of the representations and warranties of Skyline herein, the CHC Common Stock and the shares underlying the CHC Convertible Debentures will be issued in compliance with a valid private placement exemption under all applicable federal and state securities laws.

3.5 No Conflict; Required Filings and Consents.

(a) The execution and delivery of this Agreement and the CHC Transaction Documents by each of CHC and Merger Sub do not, and the performance of this Agreement and the Transaction Documents by each of CHC and Merger Sub will not: (i) conflict with or violate the organizational documents of CHC or Merger Sub, as the case may be; (ii) subject to obtaining the consents, approvals, authorizations and permits and making the registrations, filings and notifications set forth in Section 3.5(b), conflict with or violate any Law applicable to the CHC Group or by which its properties is bound or affected; (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair the CHC Group's rights or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties or assets of the CHC Group pursuant to, any material Contract to which any member of the CHC Group is a party or by which any member of the CHC Group or any of its respective properties are bound or affected; or (iv) cause the acceleration of any vesting of any awards for or rights to CHC Common Stock or the payment of or the acceleration of payment of any change in control, severance, bonus or other cash payments or issuance of CHC Common Stock, except in the case of clauses (ii) and (iii), to the extent such conflict, violation, breach, default, impairment or other effect would not, individually or in the aggregate, reasonably be expected to have a CHC Material Adverse Effect.

(b) The execution and delivery of this Agreement and the CHC Transaction Documents by CHC and Merger Sub do not, and the performance of this Agreement and the CHC Transaction Documents by CHC and Merger Sub will not, require any consent, approval, authorization or permit of, or registration, filing with or notification to, any Governmental Entity, except for: (i) applicable requirements, if any, of the Securities Act, the Exchange Act, Blue Sky Laws and the OTC Markets; (ii) the filing and recordation of the Articles of Merger as required by the CBCA, as applicable; and (iii) such consents, approvals, authorizations, permits, registrations, filings or notifications which, if not obtained or made, would not have a CHC Material Adverse Effect.

3.6 Reports and Financial Statements.

(a) CHC has filed all forms, reports and documents required to be filed with the SEC since January 1, 2018 (all such required forms, reports and documents are referred to herein as the "CHC SEC Documents"), all of which are available to Skyline through the SEC's EDGAR database. As of their respective dates, the CHC SEC Documents: (i) were prepared in accordance 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 CHC SEC Documents; and (ii) did not at the time they were filed (or if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact require to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The certifications and statements required by (x) Rule 13a-14 under the Exchange Act and (y) 18 U.S.C. §1350 (Section 906 of the Sarbanes-Oxley Act) relating to the CHC SEC Documents are accurate and complete and comply as to form and content with all applicable legal requirements.

(b) The audited consolidated financial statements of CHC as of December 31, 2019 and for the period January10, 2019 (inception) to December 31, 2019, and unaudited financial statements of CHC as of June 30 2020 and for the six-month period ended June 30, 2020, including the notes thereto (the "CHC Financial Statements"): (i) complied as to form in all material respects with the published rules and regulations of Regulation S-X promulgated by the SEC; (ii) were prepared in accordance with GAAP, applied on a consistent basis during the periods involved (except as may be indicated therein in the notes thereto); (iii) fairly present in all material respects the financial position of CHC as at the respective dates thereof and the results of its operations and cash flows for the respective periods then ended; and (iv) were compiled from, and are consistent with, the books and records of CHC, which books and records are accurate and complete in all material respects.

(c) No member of the CHC Group is a party to, nor does it have any commitment to become a party to, any joint venture, off balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among any member of the CHC Group, on the one hand, and any unconsolidated Affiliate, including any structured finance, special purpose or limited purpose entity or Person, on the other hand, or any "off balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material Liabilities of, the CHC Group in CHC's financial statements.

(d) No member of the CHC Group has outstanding (nor has arranged or modified since the enactment of the Sarbanes-Oxley Act) any "extensions of credit" (within the meaning of Section 402 of the Sarbanes-Oxley Act) to directors or executive officers (as defined in Rule 3b-7 under the Exchange Act) of any member of the CHC Group.

3.7 Compliance; Permits.

(a) No member of the CHC Group is in conflict with, or in default or violation of: (i) any Law or Order applicable to any entity comprising the CHC Group, or by which any of its respective properties is bound or affected; or (ii) any Contract to which any entity comprising the CHC Group is a party or by which any entity comprising the CHC Group or any of each entity's respective properties are bound or affected, except for any conflicts, defaults or violations of such Laws, Orders or Contracts that (individually or in the aggregate) would not have or reasonably be expected to have a CHC Material Adverse Effect. No Governmental Entity has indicated in writing to any entity comprising the CHC Group an intention to conduct an investigation or review against any entity comprising the CHC Group, and, to the Knowledge of CHC, no investigation or review by any Governmental Entity is pending or overtly threatened against any entity comprising the CHC Group.

(b) The CHC Group holds all permits, licenses, variances, exemptions, orders and approvals from Governmental Entities which are material to operation of the business of the CHC Group as currently conducted (collectively, the "CHC Permits"). To the Knowledge of CHC, each member of the CHC Group is in compliance in all material respects with the terms of each of the CHC Permits.

3.8 Absence of Certain Changes or Events. Since the date of the most recent balance sheet included in the CHC Financial Statements, except (i) as described in Section 3.8 of the CHC Disclosure Letter or in the CHC SEC Documents; or (ii) with the consent of Skyline, no member of the CHC Group has:(a) sold or transferred (including licensed) or otherwise disposed of any material portion of its assets or properties that would be material to CHC, except for sales or transfers in the Ordinary Course of Business consistent with past practice;

(b) suffered any material loss, or any material interruption in use, of any material assets or property on account of fire, flood, riot, strike or other hazard or act of God that is not covered by insurance;

(c) suffered any change to its businesses, other than in the Ordinary Course of Business consistent with past practice, which has had, or would reasonably be expected to have, a CHC Material Adverse Effect;

(d) entered into any Contract that would constitute a CHC Material Agreement, other than in the Ordinary Course of Business consistent with past practice;

(e) terminated or materially modified, waived any material right under or cancelled any CHC Material Agreement;

(f) incurred any Liens on any material assets or property, or any losses, damages, deficiencies, Liabilities, except for Liabilities incurred in the Ordinary Course of Business consistent with past practice which are not material to its businesses;

(g) granted any registration rights with respect to any of its securities;

(h) paid or declared any dividends or other distributions on its equity securities of any class or issued, purchased or redeemed any of its equity securities of any class;

(i) transferred, assigned or granted any license or sublicense of any material rights under, or with respect to any Intellectual Property Rights of CHC, other than in the Ordinary Course of Business consistent with past practice;

(j) made any material capital expenditures;

(k) split, combined or reclassified any shares of its equity securities;

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

(m) amended any of its organizational or constituent documents;

(n) paid or materially increased any bonuses, salaries, or other compensation to any director, officer, or employee except in the Ordinary Course of Business consistent with past practice;

(o) made any payments to any Related Party other than as described in the CHC SEC Documents other than wages and benefits paid in the Ordinary Course of Business consistent with past practice;

(p) adopted, modified or increased payments or benefits to any Person other than for regular annual raises that are consistent with past practices and that are reflected in the current payroll register of CHC;

(q) entered into, terminated, or received notice of termination of any (a) license, distributorship, dealer, sales representative, joint venture, credit or similar agreement, or (b) Contract or transaction involving a total remaining commitment of at least $100,000;

(r) materially changed any accounting method, assumption or period, made, changed or revoked any material Tax election, filed an income or other material Tax Return in a jurisdiction in which a Tax Return was not previously filed, failed to file any income or other material Tax Return (taking into account extensions of time to file), consented to any extension or waiver of the limitations period applicable to any material Tax claim or assessment, entered into a closing agreement, or settled any administrative or judicial proceeding related to Taxes;

(s) changed any of the material terms in any material respect for the license of its products and services;

(t) instituted, settled or compromised any Legal Actions pending or threatened before any arbitrator, court or other Governmental Entity involving the payment of monetary damages of any amount exceeding $50,000 in the aggregate; or

(u) agreed or committed, whether orally or in writing, to do any of the foregoing.

3.9 Absence of Litigation. There are no Legal Actions pending or, to the Knowledge of CHC, threatened against any member of the CHC Group, or any properties or rights of any member of the CHC Group, related to Legal Action brought by any stockholder against CHC, any creditor or otherwise, pursuing any criminal sanctions or penalties, seeking equitable or injunctive relief, including before any Governmental Entity, including, for the avoidance of doubt, the SEC.

3.10 Restrictions on Business Activities. There is no agreement, commitment, judgment, injunction, order or decree binding upon any member of the CHC Group or to which any member of the CHC Group is a party which has or would reasonably be expected to have the effect, in any material respect, of prohibiting or impairing any present business practice of any member of the CHC Group, any acquisition of property by any member of CHC Group or the conduct of business by any member of CHC Group as currently conducted, in each case, except as may be disclosed by CHC in CHC SEC Documents.

3.11 Title to Property. No member of the CHC Group owns any real property. The applicable members of the CHC Group has a valid leasehold interest in all real property leased or subleased by it, free and clear of all Liens. The CHC Group has not received written notice that the (b) use or occupancy of any leased property violates in any material respect any covenants, conditions or restrictions that encumber such property, or that any such property is subject to any restriction for which any material permits necessary to the current use thereof have not been obtained.

3.12 Material Agreements. All of Material Agreements of CHC are in full force and effect and constitute the valid, legal and binding obligation of the member or members of the CHC Group that is or are a party thereto and, to the Knowledge of CHC, constitute the valid, legal and binding obligation of the other parties thereof, enforceable against each such Person in accordance with its terms, subject to: (i) the effect of bankruptcy, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditor's rights generally; and (ii) general equitable principles (whether considered in a proceeding in equity or at law). There are no material breaches or defaults by any member of the CHC Group under any of CHC Material Agreements or, to the Knowledge of CHC, events which with notice or the passage of time would constitute a material breach or default by any member of the CHC Group, and, to the Knowledge of CHC, there is no material breach or default from any other party under any of CHC Material Agreements. All consents and approvals required under the CHC Material Agreements in order for the Contemplated Transactions to be consummated without a breach or default occurring under the Material Agreements have been obtained and are in full force and effect as of the Closing Date.

3.13 Agreements with Regulatory Agencies. No member of the CHC Group is subject to a Regulatory Agreement issued by or with any Governmental Entity that restricts the conduct of its business or that in any manner relates to its management or its business, or would reasonably be expected, following the Merger and the consummation of the Contemplated Transactions, to impair in any material respect the CHC Group's ability to conduct the business of the CHC Group after the Effective Time, as presently conducted. No member of the CHC Group has been informed in writing by any Governmental Entity that such Governmental Entity is considering issuing or requesting any Regulatory Agreement, except for any such proposed Regulatory Agreements that, individually or in the aggregate, would not have or reasonably be expected to result in a CHC Material Adverse Effect.

3.14 Board Approval. The CHC Board has unanimously approved this Agreement and the Contemplated Transactions. The Board of Directors and Board of Managers of Merger Subs have unanimously approved this Agreement and the Contemplated Transactions.

3.15 Stockholder and Member Votes. No vote of the holders of the outstanding shares of any class or series of CHC's capital stock is required by CHC's Articles of Incorporation or Bylaws for CHC to execute and deliver this Agreement and approve the Merger and the Contemplated Transactions. The affirmative vote of CHC as the sole shareholder and sole member of Merger Subs will be obtained as of the Closing Date, and is the only vote of the holders of any class or series of Merger Sub I's capital stock and Merger Sub II's equity interest necessary to approve and adopt this Agreement and approve the Merger and the Contemplated Transactions.

3.16 Brokers. The CHC Group has not incurred, nor will it incur, directly or indirectly, any Liability for brokerage or finder's fees or agent's commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

3.17 Solvency. At the Effective Time, both before and after giving effect to the Contemplated Transactions: (a) the fair value of the consolidated assets of CHC and the CHC Group taken as a whole, will exceed their respective liabilities; and (b) each of CHC and the CHC Group taken as a whole will be able to pay their respective liabilities as they mature or otherwise become due. CHC has (or will have prior to the Effective Time) sufficient cash to pay all amounts due under this Agreement.

ARTICLE IV
PRE-CLOSING COVENANTS

4.1 Covenants of Skyline and CHC. At all times from and after the date hereof until the Effective Time, Skyline covenants and agrees as to itself and its subsidiaries, if any, that (except as necessary to effectuate the Merger and otherwise as expressly contemplated or permitted by this Agreement, or to the extent that the other party shall otherwise previously consent in writing, which such consent shall not be unreasonably withheld, conditioned or delayed):

(a) Ordinary Course.

(i) Each of Skyline and its subsidiaries, if any, shall conduct their respective businesses only in, and none of Skyline and its subsidiaries, if any, shall take any action except in, the ordinary course consistent with past practice.

(ii) Each of CHC and its subsidiaries shall conduct their respective businesses only in, and none of CHC and its subsidiaries, if any, shall take any action except in, the ordinary course consistent with past practice; provided, however, that nothing in this clause (ii) shall prohibit the sale by CHC of shares of CHC Common Stock in a public offering of such shares under the Securities Act. In addition, CHC will seek to file all forms, reports and documents required to be filed with the SEC on a timely basis.

(b) Skyline Negative Covenants. Without limiting the generality of Section 4.1(a): (i) each of Skyline and its subsidiaries, if any, shall use all commercially reasonable efforts to preserve intact in all material respects their respective present business organizations and reputation, to keep available the services of their key officers and employees, to maintain their assets and properties in good working order and condition, ordinary wear and tear excepted, to maintain insurance on their tangible personal property and businesses in such amounts and against such risks and losses as are currently in effect, to preserve their relationships with customers and suppliers and others having significant business dealings with them and to comply in all material respects with all Laws and Orders of all Governmental Entities; and (ii) except as necessary to effectuate the Merger or as contemplated by this Agreement, neither Skyline nor its subsidiaries, if any, shall, except as otherwise expressly provided for in this Agreement:

(i) amend or propose to amend their organizational documents other than as contemplated in connection with this Agreement;

(ii) (w) declare, set aside or pay any dividends on or make other distributions in respect of any of its membership interests or capital stock, (x) split, combine, reclassify or take similar action with respect to any of its membership interests or capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for its membership interests or shares of its capital stock, (y) adopt a plan of complete or partial liquidation or resolutions providing for or authorizing such liquidation or a dissolution, merger, consolidation, restructuring, recapitalization or other reorganization or (z) directly or indirectly redeem, repurchase or otherwise acquire any membership interests or shares of its capital stock or any options with respect thereto;

(iii) issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any membership interests of shares of its capital stock or any options or other equity incentives with respect thereto (other than issuances pursuant to options or warrants outstanding on the date hereof and in accordance with their present terms);

(iv) acquire (by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner) any business or any other Person or otherwise acquire or agree to acquire any material assets;

(v) other than in the ordinary course of business consistent with past practice and of assets which are not, individually or in the aggregate, material to their business, sell, lease, transfer, license, pledge, grant any security interest in or otherwise dispose of or encumber any of its material assets or properties;

(vi) except to the extent required by applicable Law, GAAP or Contracts existing on the date hereof, permit any material change in (A) any pricing, marketing, purchasing, investment, accounting, financial reporting, inventory, credit, allowance or Tax practice or policy or (B) any method of calculating any bad debt, contingency or other reserve for accounting, financial reporting or Tax purposes;

(vii) except to the extent required by applicable Law or Contracts existing on the date hereof, make any material Tax election or settle or compromise any material Tax Liability with any Governmental Entity;

(viii) (x) incur any indebtedness for borrowed money, or guarantee any such indebtedness, in excess of $100,000 in the aggregate, or (y) voluntarily purchase, cancel, prepay or otherwise provide for a complete or partial discharge in advance of a scheduled repayment date with respect to, or waive any right under, any indebtedness for borrowed money; provided that Skyline may prepay or defease any indebtedness for borrowed money if such may be done without the payment of any additional fee (other than amounts owed under the terms of such indebtedness); provided that the foregoing shall not apply to any Payroll Protection Program loan or other Small Business Administration loan;

(ix) enter into, adopt, amend in any material respect (except as may be required by applicable Law) or terminate any employee or similar benefit plan, or increase in any manner the compensation or fringe benefits of any director, officer or employee, except for annual salary increases in the ordinary course of business consistent with past practices;

(x) enter into any Material Agreement or amend, modify, or otherwise terminate, any existing Skyline Material Agreement, as applicable, in each case, other than in the ordinary course of business and consistent with past practices;

(xi) make any capital expenditures or commitments for additions to property or equipment constituting capital assets in an aggregate amount exceeding $50,000;

(xii) make any material change in the lines of business in which it participates or is engaged;

(xiii) institute, settle or compromise any Legal Actions pending or threatened before any arbitrator, court or other Governmental Entity involving the payment of monetary damages of any amount exceeding $50,000 in the aggregate; provided that neither Skyline nor its subsidiaries, if any, shall settle or agree to settle any Legal Action which settlement involves a conduct remedy or injunctive or similar relief or has a restrictive impact on their respective business; or

(xiv) enter into any Contract, commitment or arrangement to do or engage in any of the foregoing (other than those Contracts, commitments and arrangements pending as of the date hereof).

4.2 Advice of Changes. Each of CHC and Skyline shall promptly advise the other, orally and in writing, of any change or event, including, without limitation, any complaint, investigation or hearing by any Governmental Entity (or communication indicating the same may be contemplated) or the institution or threat of Legal Action, having, or which, insofar as can be reasonably foreseen, could have, an Skyline Material Adverse Effect or a CHC Material Adverse Effect, as applicable; provided that no Party shall be required to make any disclosure to the extent such disclosure would constitute a violation of any applicable Law. No notice given pursuant to this Section 4.2 shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein.

4.3 Notice and Cure. Each of CHC and Skyline will notify the other of, and will use all commercially reasonable efforts to cure before the Closing, any event, transaction or circumstance, as soon as practical after it becomes known to such party, that causes or will cause any covenant or agreement of such party under this Agreement to be breached in any material respect or that renders or will render untrue any representation or warranty of such party contained in this Agreement in any material respect. Each of CHC and Skyline also will notify the other in writing of, and will use all commercially reasonable efforts to cure, before the Closing, any material violation or breach, as soon as practical after it becomes known to such party, of any representation, warranty, covenant or agreement made by such party. No notice given pursuant to this paragraph shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein; provided that the applicable Disclosure Letter of a Party may, with the written consent of the other Party, be updated to account for such change.

4.4 Fulfillment of Conditions. Subject to the terms and conditions of this Agreement, each of CHC and Skyline will take or cause to be taken all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each condition to the other's obligations contained in this Agreement and to consummate and make effective the transactions contemplated hereby, and neither CHC nor Skyline will, nor will it permit any of its subsidiaries to, take or fail to take any action that would be reasonably expected to result in the nonfulfillment of any such condition.

4.5 Access to Information; Confidentiality.

(a) Confidentiality. The terms and conditions of the Confidentiality Agreement are hereby ratified and confirmed by each of the parties.

(b) Mutual Access to Information. During the period from the date of this Agreement until the earlier of (x) the Effective Time, or (y) the termination of this Agreement in accordance with Section 7.1, each party to this Agreement will (and will cause such party's Representatives to) provide the other party (the requesting party) and the requesting party's Representatives with reasonable access to the disclosing party's management, financial statements, books and records, contracts, leases, operations, forecasts, tax records and other documents in the manner and to the extent such requesting party reasonably requests. Following the Closing, the Skyline and CHC will provide the Members' Representative reasonable access upon request to all relevant books and records of Skyline and its advisors and representatives as may be necessary, appropriate, advisable or desirable in connection with the Member Representative's performance of its role under and in connection with this Agreement.

4.6 Regulatory and Other Approvals; Further Assurances.

(a) Subject to the terms and conditions of this Agreement, each of Skyline and CHC will proceed diligently and in good faith to, as promptly as practicable: (i) obtain all consents, approvals or actions of, make all filings (including, with respect to CHC, any Form 8-K filings) with and give all notices to Governmental Entities or any other public or private third parties required to consummate the Merger and the transactions contemplated hereby; and (ii) provide such other information and communications to such Governmental Entities or other public or private third parties as the other party or such Governmental Entity or other public or private third parties may reasonably request in connection therewith. No party shall consent to any voluntary extension of any statutory deadline or delay the consummation of the Merger at the request of a Governmental Entity without the consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. All such filings and notices made by a party shall be provided for review and comment by the other party and shall not be filed or made until reasonably acceptable to both parties.

(b) Each Party hereto will, either prior to or after the Effective Time, execute such further documents, instruments, deeds, bills of sale, assignments and assurances and take such further actions as may reasonably be requested by the other to consummate the Merger, to vest the Surviving Company with full title to all assets, properties, privileges, rights, approvals, immunities and franchises of either of Skyline or CHC or to effect the other purposes of this Agreement.

4.7 RESERVED.

4.8 Stockholder or Member Litigation. Each Party shall promptly provide a notice to the other of any Legal Action brought by any stockholder or member of such Party against such Party and/or its Representatives relating to this Agreement or the transactions contemplated hereby, including the Merger (each a "Transaction Legal Action"), and shall promptly inform such other Party of the status thereof.

4.9 Public Announcements. The initial press release with respect to this Agreement and the transactions contemplated hereby shall be a release mutually agreed to by Skyline and CHC. Thereafter, Skyline and CHC agree that no public release or other public announcement, including any releases, announcements or other correspondence with customers or suppliers of either Party, concerning the transactions contemplated hereby shall be issued by any Party without the prior written consent of each of Skyline and CHC (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by applicable Law or the rules or regulations of the SEC or a Governmental Entity to which the relevant Party is subject, wherever situated, in which case the Party required to make the release or announcement shall consult with the other Party about, and allow the other Party reasonable time to comment on, such release or announcement in advance of such issuance.

4.10 Notice of Certain Events. From and after the date hereof until the earlier of the Effective Time or the termination of this Agreement, each Party shall give prompt notice to the other Party of any event, transaction or circumstance that has caused or would reasonably be expected to cause any covenant or agreement of such Party under this Agreement to be breached or that has rendered or would be reasonably expected to render untrue any representation or warranty of such Party contained in this Agreement as if the same were made on or as of the date of such event, transaction or circumstance. No notice given pursuant to this Section 4.10 shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any conditions contained herein.

4.11 Tax Matters.

(a) Intended Tax Treatment. The Parties intend that for U.S. federal income Tax purposes the conversion of the Skyline Units into Merger Consideration will be treated (i) as to the Skyline Members as a taxable sale of the Skyline Units as described in Situation 2 of Revenue Ruling 99-6, 1999-1 C.B. 432; and (ii) as to the CHC as a purchase of the assets and liabilities of Skyline. The Parties intend that the Skyline Members will report on the installment method of reporting pursuant to Code Section 453 with respect to the CHC Term Debentures and the CHC Convertible Debentures.

(b) Members' Representative Tax Returns. The Members' Representative shall (i) prepare or cause to be prepared and timely file or cause to be timely filed (including extensions validly obtained), all income Tax Returns of Skyline that are required to be filed with respect to any Tax period that ends on or before the Closing Date ("Members' Representative Tax Returns") in a manner consistent with past practices of Skyline to the extent permitted by Law, and such Tax Returns may take into account Transaction Expense Deductions that are properly deductible for such periods at a "more likely than not" level of certainty, and (ii) timely pay or cause to be paid all Taxes shown to be due and payable by Skyline on such Tax Returns. The Members' Representative shall deliver to CHC copies of all Members' Representative Tax Returns at least twenty (20) days prior to the due date thereof (including extensions validly obtained),and shall not unreasonably refuse to incorporate any comments from CHC received 10 days prior to such due date.

(c) CHC Tax Returns. CHC shall prepare or cause to be prepared and timely file or cause to be timely filed (including extensions validly obtained), (i) all Tax Returns for Skyline that are required to be filed with respect to any Tax period that ends on or before the Closing Date other than Members' Representative Tax Returns, and (ii) all Tax Returns of Skyline that are required to be filed with respect to any Tax period that begins before or on the Closing Date and ends after the Closing Date (a "Straddle Period") (Tax Returns described in clauses (i) and (ii), collectively, "CHC Tax Returns") in a manner consistent with past practices of Skyline to the extent permitted by Law and shall take into account as deductions any Transaction Expense Deductions that are properly deductible for such periods. CHC shall deliver to the Members' Representative copies of all CHC Tax Returns at least twenty (20) days prior to the due date thereof (including extensions validly obtained), and shall not unreasonably refuse to incorporate any comments from the Members' Representative received ten (10) days prior to such due date. The Members' Representative and Skyline Members shall bear, and pay, or cause to be paid, all Taxes of Skyline for any Tax Period ending on or before the Closing Date, including the portion of any Straddle Period, ending on the Closing Date, while CHC shall bear and pay, or cause to be paid, Taxes for all periods beginning after the Closing Date, and the portion of the Straddle Period beginning after the Closing Date. In the case of Taxes arising in a Straddle Period, the allocation of such Taxes between the portion of such period ending on the Closing Date (the "Pre-Closing Tax Period") and the portion of such period beginning on the calendar day after the Closing Date (the "Post-Closing Tax Period") shall be made (1) on the basis of an interim closing of the books in the case of payroll Taxes, income Taxes and other Taxes based on gross receipts provided that any Transaction Expense Deductions for expenses that are accrued for tax purposes or paid on or before the Closing Date and that are deductible on such Tax Returns shall be allocated to the Pre-Closing Tax Period, and (2) on the basis of the number of calendar days elapsed in the portion of the period ending at the end of the Closing Date and the portion of the period beginning at the beginning of the calendar day following the Closing Date in the case of Taxes not based on income or gross receipts (including property, ad valorem and similar Taxes), provided that exemptions, allowances or deductions calculated on an annual basis (other than with respect to property placed in service after the Closing) shall be allocated between the Pre-Closing Tax Period and the Post-Closing Tax Period on a per diem basis.

(d) Tax Controversies. The Members' Representative may elect, at its own cost and expense, to control any Tax audit, Tax dispute, Tax notice (including an assertion of a deficiency or a notice of a proposed adjustment), or any assertion of a claim for Taxes or Proceeding with respect to Skyline (each, a "Tax Controversy") with respect to any income Taxes for a Tax period of Skyline ending on or before the Closing Date ("Members' Representative Tax Controversies"), provided that (i) the Members' Representative shall keep CHC informed of all material events and developments in such Members' Tax Controversy, and shall reasonably cooperate with CHC and consult in good faith with CHC regarding the conduct of, or positions taken, in any Members' Tax Controversy (ii) the Members' Representative shall settle or compromise, concede, or enter into any other agreement, with respect to the Tax Controversy, or any portion of such Tax Controversy, only with the prior written consent of CHC (such consent to not be unreasonably conditioned, withheld or delayed), and (iii) CHC shall be entitled, at its sole expense, to provide comments to the Members' Representative regarding the conduct of or positions taken in any such Members' Representative Tax Controversy and to participate in such Tax Controversy. Tax Controversies that are not Members' Representative Tax Controversies, but that are reasonably likely to result in liabilities that the Skyline Members would be required to indemnify the CHC Indemnitees for under Article VII, will be controlled by CHC, provided that (i) CHC shall keep the Members' Representative informed of all material events and developments in such Tax Controversy, and shall reasonably cooperate with the Member's Representative and consult in good faith with the Member's Representative regarding the conduct of, or positions taken, in any such Tax Controversy (ii) CHC shall settle or compromise, concede, or enter into any other agreement, with respect to the Tax Controversy, or any portion of such Tax Controversy, only with the prior written consent of Members' Representative (such consent to not be unreasonably conditioned, withheld or delayed), and (iii) Members' Representative shall be entitled, at its sole expense, to provide comments to CHC regarding the conduct of or positions taken in any such Tax Controversy and to participate in such Tax Controversy.

(e) Cooperation. After the Closing, each Skyline Member and the Members' Representative shall cooperate with CHC, including its accounting firms and legal counsel upon reasonable request, in connection with the preparation of any Tax Return or any refund claim or any Tax Controversy with respect to the activities or filings of Skyline for any period, or the portion of any period, prior to the Closing Date. In addition, CHC shall cooperate with the Members' Representative, in the same manner as set forth above, in connection with the preparation of any Members' Representative Tax Return (or any refund claim related thereto) or any Members' Representative Tax Controversy. The cooperation of any Person under this Section 4.11(e) shall include the retention and (upon the other Party's reasonable request) the provision of records and information, including work papers, but excluding records and information that are protected by recognized professional privilege. The Parties each agree to retain all books and records with respect to Tax matters pertinent to Skyline relating to the six year period (or portion thereof) prior to the Closing Date for a period of at least six years and shall provide notice to the other prior to destroying any such books and records (and an opportunity for the other to take possession of such books and records).

(f) Notice. If, after the Effective Time, any Party receives any document with respect to the Tax matters of Skyline or the Surviving Company that could reasonably be expected to affect any of the other Parties, the Party receiving such document shall supply a copy of such document to the potentially affected Party promptly upon receipt thereof, provided, however, that the failure to provide such a copy shall not be a condition precedent to the liability of any Party under this Agreement. For this purpose, such Tax documents shall include requests for information, notices of proposed adjustment, revenue agent's reports or similar reports and notices of deficiency. Any information provided or obtained under this paragraph shall be kept confidential, except as may otherwise be necessary in connection with the filing of a Tax Return, refund claims, or any Tax Controversy, or as required by applicable Regulations.

(g) Allocation Methodology. For purposes of determining the Tax consequences of the transactions contemplated by this Agreement to all parties hereto, including the character of the Skyline Members' gain recognition under Section 751(a) of the Code, the fair market value of the assets and liabilities of Skyline shall be determined using the allocation methodology to be agreed upon by the Parties prior to the Closing (the "Allocation Methodology"). CHC, Skyline, the Surviving Company, and the Skyline Members shall file all Tax Returns in a manner consistent with the Allocation Methodology, and shall take no position before any Governmental Authority or in any legal proceeding that is inconsistent with the Allocation Methodology; *provided*, that (i) nothing contained herein shall prevent any party from settling in good faith any proposed deficiency or adjustment by a governmental authority based upon or arising out of the Allocation Methodology, and (ii) no party shall be required to litigate before any court any proposed deficiency or adjustment by a governmental authority challenging the Allocation Methodology.

(h) Post-Closing Elections and Amendments.

(i) Except as may be required by Law or contemplated by this Agreement, CHC shall not, and shall not cause or permit the Surviving Company to, (A) take any action or make any election that is reasonably likely to materially increase the Skyline Members' liability for Taxes (or the liability for Taxes of any direct or indirect owner of a Skyline Member) for any Tax period ending on or before the Closing Date (including any liability of the Skyline member to indemnify CHC for Taxes pursuant to this Agreement), or (B) amend any Tax Return for any Tax period ending on or before the Closing Date or Straddle Period, in each case, without the Members' Representative's prior written consent (which shall not be unreasonably withheld, conditioned or delayed).

(ii) The provisions of this Section 4.10 with respect to the preparation of Tax Returns and the control of Tax Controversies shall supersede any contrary provisions of the Skyline Operating Agreement. After Closing, CHC agrees that any amendment to the Skyline Operating Agreement shall not be deemed an amendment or modification of the Members' Legacy Agreement.

4.12 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other similar Taxes, and all conveyance fees, recording charges and other similar fees and charges (including any penalties and interest) incurred in connection with the consummation of the transactions contemplated by this Agreement, if any, shall be borne and paid equally (50%-50%) by the Skyline Members, on one hand, and CHC on the other. The Party required by applicable Law shall prepare and timely file all Tax Returns required to be filed in respect of any such Taxes. The Skyline Members and the Members' Representative, on the one hand, and CHC, on the other hand, upon the other's reasonable request, shall use their commercially reasonable efforts to obtain any certificate or other document from any governmental authority as may be necessary to mitigate, reduce or eliminate any transfer Tax that could be imposed with respect to the transactions contemplated hereby.

4.13 Employees and Consultants. At least ten (10) days prior to the anticipated Closing Date, CHC shall notify Skyline of any employees or consultants of Skyline that CHC does not intend employ or engage following Closing that are listed on Section 2.11(j) of the Skyline Disclosure Letter. CHC will continue to employ any continuing employees through Skyline's current payroll and benefits provider through the end of calendar year 2020.

ARTICLE V
CONDITIONS

5.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligation of each party to effect the Merger is subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) Stockholder and Member Approval.

(i) Skyline Members' Approval shall have been obtained.

(ii) Merger Sub's member approval shall have been obtained.

(b) State Securities Laws. The securities issued by CHC to the holders of the Skyline securities shall be in compliance with federal and state securities laws.

(c) Injunctions or Restraints. No court of competent jurisdiction or other competent Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making illegal or otherwise restricting, preventing or prohibiting consummation of the Merger or the other transactions hereby and no such Law or Order shall be pending.

5.2 Conditions to Obligation of CHC to Effect the Merger. The obligation of CHC to effect the Merger is further subject to the fulfillment, at or prior to the Closing, of each of the following additional conditions (all or any of which may be waived in whole or in part by CHC in its sole discretion):

(a) Representations and Warranties. The representations and warranties made by Skyline in this Agreement shall be true and correct in all material respects (except that where any statement in a representation or warranty expressly includes a standard of materiality, such statement shall be true and correct in all respects) when made and as of the Closing Date as though made on and as of the Closing Date or, in the case of representations and warranties made as of a specified date earlier than the Closing Date, on and as of such earlier date only. Skyline shall have delivered to CHC a certificate, dated the Closing Date and executed in the name and on behalf of Skyline by its Chief Executive Officer, to such effect.

(b) Performance of Obligations. Skyline shall have performed and complied with, in all material respects, each agreement, covenant and obligation required by this Agreement and all other Transaction Documents to which it is a party to be so performed or complied with by Skyline at or prior to the Closing, and Skyline shall have delivered to CHC a certificate, dated the Closing Date and executed in the name and on behalf of Skyline by its Chief Executive Officer, to such effect.

(c) Governmental and Regulatory and Other Consents and Skyline Approvals. Other than the filing of the Articles of Merger and the receipt of the Skyline Members' Approval, all consents, approvals and actions of, filings with and notices to any Governmental Entity or any other public or private third parties required of CHC, Skyline or any of their respective subsidiaries to consummate the Merger and the transactions contemplated hereby, including those set forth in Section 5.2 of the Skyline Disclosure Letter shall have been made or obtained, all in form and substance reasonably satisfactory to CHC and CHC shall be able to issue the shares of CHC Common Stock in the Merger pursuant to an exemption from the registration requirements under the Securities Act under Regulation D promulgated thereunder.

(d) Proceedings. All proceedings to be taken on the part of Skyline in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in form and substance to CHC, and CHC shall have received copies of all such documents and other evidences as CHC may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.

(e) Skyline Material Adverse Effect. Since the date hereof, there shall not have been any Skyline Material Adverse Effect or any event, change or effect that would, individually or in the aggregate, reasonably be expected to have an Skyline Material Adverse Effect.

(f) CHC Financing. CHC shall have consummated a debt or equity offering, or an offering of debt and equity securities, in which CHC received gross proceeds of at least $5,000,000.

(g) Skyline Warrants. Skyline shall have provided CHC evidence reasonably satisfactory to CHC that all Skyline Warrants shall have been exercised or terminated.

5.3 Conditions to Obligation of Skyline to Effect the Merger. The obligation of Skyline to effect the Merger is further subject to the fulfillment, at or prior to the Closing, of each of the following additional conditions (all or any of which may be waived in whole or in part by Skyline in its sole discretion):

(a) Representations and Warranties. The representations and warranties made by CHC in this Agreement shall be true and correct in all material respects (except that where any statement in a representation or warranty expressly includes a standard of materiality, such statement shall be true and correct in all respects) when made and as of the Closing Date as though made on and as of the Closing Date or, in the case of representations and warranties made as of a specified date earlier than the Closing Date, on and as of such earlier date only. CHC shall have delivered to Skyline a certificate, dated the Closing Date and executed in the name and on behalf of CHC by its Chief Executive Officer and its Chief Financial Officer, to such effect.

(b) Performance of Obligations. CHC shall have performed and complied with, in all material respects, each agreement, covenant and obligation required by this Agreement and all other Transaction Documents to which it is a party to be so performed or complied with by CHC at or prior to the Closing, and CHC shall have delivered to Skyline a certificate, dated the Closing Date and executed in the name and on behalf of CHC by its Chief Executive Officer or President, to such effect.

(c) Governmental and Regulatory and Other Consents and CHC Approvals. Other than the filing of the Articles of Merger, all consents, approvals and actions of, filings with and notices to any Governmental Entity or any other public or private third parties required of Skyline, CHC or any of their respective subsidiaries to consummate the Merger and the transactions contemplated hereby, including those set forth in Section 5.3(c) of the CHC Disclosure Letter shall have been made or obtained, all in form and substance reasonably satisfactory to Skyline.

(d) Proceedings. All proceedings to be taken on the part of CHC in connection with the transactions contemplated hereby and all documents incident thereto shall be reasonably satisfactory in form and substance to Skyline, and Skyline shall have received copies of all such documents and other evidences as Skyline may reasonably request in order to establish the consummation of such transactions and the taking of all proceedings in connection therewith.

(e) CHC Material Adverse Effect. Since the date hereof, there shall not have been any CHC Material Adverse Effect or any event, change or effect that would, individually or in the aggregate, reasonably be expected to have a CHC Material Adverse Effect.

(f) Funding. CHC will have paid the CHC Cash Consideration and the Representative Amount pursuant to Section 1.7(a)(i) and Section 1.7(d), respectively, and shall have delivered the CHC Term Debentures and the CHC Convertible Debentures pursuant to Section 1.7(a)(ii) and Section 1.7(a)(iii), respectively.

(g) CHC Financing. CHC shall have consummated an offering of equity securities in which CHC shall have received gross cash proceeds of at least $12,000,000 and CHC shall have converted into CHC equity an additional $5,000,000 of CHC debt securities currently outstanding, following which the CHC Common Stock shall have been listed on the NYSE American Stock Exchange or the NASDAQ National Market System, or another national stock exchange.

ARTICLE VI
TERMINATION

6.1 Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Effective Time:

(a) Mutual Consent. By mutual written agreement of each of (x) CHC and (y) Skyline duly authorized by action taken by or on behalf of their respective Boards of Directors;

(b) Expiration of Time. By either Skyline or CHC upon notification to the non-terminating party by the terminating party:

(i) at any time after September 30, 2020, if the Merger shall not have been consummated on or prior to such date and such failure to consummate the Merger is not caused by a breach of this Agreement by the terminating party;

(ii) if there has been a material breach of any representation, warranty, covenant or agreement on the part of the non-terminating party set forth in this Agreement, which breach is not curable or, if curable, has not been cured within thirty (30) days following receipt by the non-terminating party of notice of such breach from the terminating party; or

(iii) if any court of competent jurisdiction or other competent Governmental Entity shall have issued an Order or Law making illegal or otherwise restricting, preventing or prohibiting the Merger and such Order or Law shall have become final and non-appealable.

(c) Bid Price of CHC Common Stock. By Skyline if the closing bid price of the CHC Common Stock, as reported on the OTCQB tier of the OTC Markets, Inc., is less than $1.00 per share (subject to adjustment for stock splits, stock combinations and the like) for a period of five (5) consecutive trading days prior to the Closing Date.

6.2 Effect of Termination. If this Agreement is validly terminated by either Skyline or CHC pursuant to Section 6.1, this Agreement will forthwith become null and void and there will be no Liability or obligation on the part of either Skyline or CHC (or any of their respective Representatives or Affiliates), except: (i) that the provisions of Section 4.5 (Access to Information; Confidentiality), this Section 6.2 and ARTICLE X, and, in each case, the provisions of this Agreement that interpret or relate to such provisions will continue to apply following any such termination; and (ii) that nothing contained herein shall relieve any Party from Liability for willful breach of its representations, warranties, covenants or agreements contained in this Agreement.

ARTICLE VII
INDEMNIFICATION; MEMBERS' REPRESENTATIVE; EQUITABLE RELIEF

7.1 Survival.

(a) Except in the case of fraud, the representations and warranties of the Skyline, CHC and Merger Sub, as applicable, contained in ARTICLE II and ARTICLE III of this Agreement and the covenants and agreements of the Skyline Members, Skyline, CHC and Merger Sub, as applicable, contained in this Agreement will each survive the Closing Date but only to the following extent: (i) all covenants and agreements that will survive the Closing Date in accordance with their respective terms; (ii) except as provided in clause (iii) below, the representations and warranties contained in ARTICLE II and ARTICLE III of this Agreement shall survive the Closing Date until the date that is 180 days following the Closing Date (the "Basic Indemnification Period"); and (iii) the representations and warranties set forth in Section 2.1, Section 2.2, Section 2.3, Section 2.4, Section 2.15, Section 3.1, Section 3.2, Section 3.3, and Section 3.4 shall survive the Closing Date through the end of the applicable statute of limitations (the "Fundamental Representations").

(b) All claims for indemnification must be asserted on or prior to the date of the termination of the respective survival periods set forth in Section 7.1(a) except such claims may be pursued thereafter if written notice thereof in accordance with the terms hereof was duly given within such period. If any claim has been asserted in accordance with the terms hereof prior to the expiration of the applicable survival period, such claim, if unresolved as of such expiration date, shall not be extinguished as barred by the expiration of the relevant representation and warranty and such claims shall survive until finally resolved by a settlement agreement executed by the applicable parties or by binding arbitration in accordance with this Article VII. Any claim for indemnification not made by CHC or the Members' Representative (for himself or herself or on behalf of any Skyline Member), as applicable, on or prior to the date of expiration of the applicable survival period will be irrevocably and unconditionally released and waived.

7.2 General Indemnification Obligations.

(a) Subject to the terms, conditions and limitations set forth in this ARTICLE VII , from and after the Closing, the Skyline Members shall, severally and not jointly, indemnify and hold harmless CHC, the Surviving Company and their respective successors and permitted assigns, and the officers, employees, directors, managers, members, Affiliates, partners and stockholders of CHC (collectively, the "CHC Indemnitees") from and against any and all losses, liabilities, claims, damages, penalties, fines, judgments, awards, settlements, Taxes, costs, fees (including reasonable investigation fees), expenses (including reasonable attorneys' fees) and disbursements (collectively, "Losses") actually incurred by any of the CHC Indemnitees following the Closing Date based upon or arising from (i) any breach of or inaccuracy in the representations and warranties of Skyline contained in ARTICLE II of this Agreement or in a certificate delivered by or on behalf of Skyline pursuant to this Agreement, (ii) any breach of the covenants or agreements of Skyline or the Skyline Members or any of their Affiliates contained in this Agreement, (iii) any amount that is not forgiven under the PPP Loan, provided that CHC has complied in all material respects with Section 8.4, (iv) the net amount of any accounts receivable that are not collected by CHC and the Surviving Company prior to the date that is 180 days following the Closing Date which accounts receivable were borrowed against in an amount which is outstanding as of the Closing Date under the ABF Loan and (v) any Retained Tax Liabilities.

(b) Subject to the limitations set forth in this ARTICLE VII, from and after the Closing, each of CHC and the Surviving Company, jointly and severally, shall indemnify and hold harmless the Members' Representative, the Skyline Members, and their respective successors and permitted assigns, and the officers, employees, directors, managers, members, partners and stockholders of the Skyline Members and their heirs and personal representatives (the "Skyline Indemnitees") from and against any and all Losses actually incurred by any of Skyline Indemnitees following the Closing Date based upon or arising from (i) any breach of or inaccuracy in the representations and warranties of CHC or Merger Sub contained in ARTICLE III or in a certificate delivered pursuant to this Agreement, and (ii) any breach of the covenants or agreements of CHC, the Surviving Company or Merger Sub contained in this Agreement.

7.3 Exclusive Remedy. The Parties agree that, from and after the Closing, the sole and exclusive remedy of the Parties for any Losses based upon, arising out of or otherwise in respect of the matters set forth in this Agreement (including representations, warranties, covenants and agreements) and the transactions contemplated hereby, whether based in contract or tort, other than claims for fraud on the part of a Party in connection with the Merger or the other Contemplated Transactions, are (x) the indemnification provided in this ARTICLE VII, and (y) equitable remedies (including, but not limited to, specific performance).

7.4 Limitations on Liability and Indemnification Payments. Notwithstanding anything in this Agreement or otherwise to the contrary (except as contemplated by the last sentence of Section 7.3), the right of an Indemnitee to indemnification is limited as follows:

(a) The CHC Indemnitees and Skyline Indemnitees, respectively, will be entitled to indemnification pursuant to Section 7.2(a)(i) or Section 7.2(b)(i) on account of any Losses (other than Losses arising out of a breach of or inaccuracy in a Fundamental Representation, which shall not be subject to this clause) solely to the extent (but only to the extent) that the aggregate amount of all Losses actually incurred by such Indemnitees exceeds $250,000 (the "Threshold"), in which event the CHC Indemnitees or Skyline Indemnitees, as applicable, will be entitled to indemnification for all such Losses solely to the extent exceeding the Threshold. In determining whether the applicable Threshold has been achieved, Losses relating to a particular event, occurrence, or breach will be counted and included only to the extent they exceed $10,000 individually, such that claims involving Losses below that amount will be deemed to be and treated as *de minimis* and not count toward the Threshold, or otherwise be included in determining whether the Threshold has been hit).

(b) The CHC Indemnitees will not be entitled to assert any claims or recovery for Losses pursuant to Section 7.2(a)(i) (other than Losses arising out of a breach or inaccuracy of a Fundamental Representation, which shall not be subject to this clause), or Section 7.2(a)(iii), Section 7.2(a)(iv) or Section 7.2(a)(v) having an aggregate Value in excess of the Set-Off Amount. The CHC Indemnitees will not be entitled to assert any claims or recovery for Losses pursuant to Section 7.2(a)(i) arising out of a breach or inaccuracy of a Fundamental Representation having an aggregate Value in excess of the Merger Consideration. No Skyline Member shall be liable to the CHC Indemnitees pursuant to Section 7.2(a)(i) for any Losses in excess of the aggregate Value of the Merger Consideration received or to be received by such Skyline Member. Additionally, the Skyline Indemnitees will not be entitled to assert any claims or recovery for Losses pursuant to Section 7.2(b)(i) (other than Losses arising out of a breach or inaccuracy of a Fundamental Representation, which shall not be subject to this clause) in the aggregate more than $2,000,000; provided, however, that such limitation will not apply or be applicable to any claims arising out of or resulting from any failure of CHC pay or to deliver consideration or payments due under this Agreement to the Skyline Members.

(c) An Indemnitee's right to indemnification pursuant to Section 7.2 on account of any Losses will be reduced by all insurance or other third party indemnification proceeds actually received by the Indemnitee (net of collection costs, deductibles, and retroactive premium adjustments related to the insurance claim). An Indemnitee shall use commercially reasonable efforts to claim and recover any Losses suffered by such Indemnitees under any such insurance policies or other third-party indemnities; provided, however, that an Indemnitee is not required to initiate pursuit of such insurance or indemnity proceeds prior to asserting any claim or claims under this Article VII. The Skyline Indemnitees shall remit to CHC any such insurance or other third-party proceeds that are paid to the Skyline Indemnitees with respect to Losses for which the Skyline Indemnitees have been previously compensated pursuant to Section 7.2(b). The CHC Indemnitees shall remit to the Members' Representative for distribution any such insurance or other third-party proceeds that are paid to the CHC Indemnitees with respect to Losses for which the CHC Indemnitees have been previously compensated pursuant to Section 7.2(a).

(d) The Indemnitees will not be entitled to indemnification hereunder for punitive damages except with respect to any such damages paid or payable by an Indemnitee to a third party pursuant to a third-party claim.

(e) For purposes of determining the amount of any Loss subject to indemnification hereunder (but, for the avoidance of doubt, not for purposes of determining whether any breach has occurred), the representations, warranties, covenants and agreements set forth in this Agreement shall be considered without regard to any materiality or Material Adverse Effect qualification set forth therein.

(f) No Indemnitee shall be entitled to be compensated more than once for the same Loss.

(g) The right of an Indemnitee to indemnification, payment of any Losses or other remedy based on the representations, warranties, covenants and agreements of the Indemnifying Party pursuant to this Agreement or any agreements entered into in connection herewith shall not be limited or affected by any investigation or review conducted by such Indemnitee or by its accountants, counsel or other representatives prior to the Effective Time, nor any knowledge acquired (or capable of being acquired) at any time by such Indemnitee, whether before or after execution of this Agreement or the Closing Date, with respect to the accuracy of or compliance with any such representations, warranties, covenants or agreements of the Indemnifying Party.

7.5 Procedures.

(a) Notice of Losses by Skyline Indemnitee. As soon as reasonably practicable after a Skyline Indemnitee has actual knowledge of any claim pursuant to Section 7.2(b) that may result in a Loss (a "Claim") but in no event more than fifteen (15) days after becoming aware of such Claim, the Members' Representative shall give notice thereof (a "Claims Notice") to CHC. A Claims Notice must describe the Claim in reasonable detail, including which section of this Agreement was breached, and set forth the Members' Representative's good faith calculation of the Loss that has been suffered by the applicable Skyline Indemnitee. No delay in or failure to give a Claims Notice by the Members' Representative to CHC pursuant to this Section 7.1(a) will adversely affect any of the rights or remedies that Skyline Indemnitees have under this Agreement, or alter or relieve CHC or the Surviving Company of their obligation to indemnify the applicable Skyline Indemnitee, except to the extent that either CHC or the Surviving Company is materially prejudiced thereby. CHC shall respond to the Members' Representative (a "Claim Response") within 30 calendar days (the "Response Period") after the date that the Claims Notice is received by CHC. Any Claim Response must specify whether CHC disputes the Claim described in the Claims Notice (or the amount of Losses set forth therein). If CHC fails to give a Claim Response within the Response Period, CHC will be deemed not to dispute the Claim described in the related Claims Notice. If CHC elects not to dispute a Claim described in a Claims Notice, then the amount of Losses alleged in such Claims Notice with respect to such undisputed Claim will be conclusively deemed to be an obligation of CHC, and CHC shall, at its election, within three Business Days of the last day of the applicable Response Period, either make payment to the applicable Skyline Indemnitee(s) in cash in an aggregate amount equal to the amount specified in the Claims Notice with respect to such undisputed Claim, or issue to the applicable Skyline Indemnitee(s) such number of shares of CHC Common Stock as have an aggregate Value equal to the amount specified in the Claims Notice with respect to such undisputed Claim, in either case subject to the limitations contained in this ARTICLE VII. If CHC delivers a Claim Response within the Response Period indicating that it disputes one or more of the Claims identified in the Claims Notice, CHC and the Members' Representative shall promptly meet and use their commercially reasonable efforts to settle the dispute. In connection with the commencement of any arbitration proceedings pursuant to Section 7.5(c), upon either (i) receipt of the final binding decision of the Arbitrator with respect to the subject matter of a Claims Notice or (ii) written agreement of CHC and Members' Representative with respect to the resolution of the subject matter of a Claims Notice, the Skyline Members shall be entitled to recover from CHC an amount of Losses in accordance with such determination or resolution, subject to the limitations contained in this ARTICLE VII.

(b) Notice of Losses by CHC Indemnitee. As soon as reasonably practicable after a CHC Indemnitee has actual knowledge of any claim pursuant to Section 7.2(a) that may result in a Loss (a "CHC Claim") but in no event more than fifteen (15) days after becoming aware of such CHC Claim, then CHC shall give notice thereof (a "CHC Claim Notice" and together with a Claims Notice, a "Notice") to the Members' Representative. A CHC Claim Notice must describe the CHC Claim in reasonable detail, including which section of this Agreement was breached, and set forth CHC's good faith calculation of the Loss that has been suffered by a CHC Indemnitee. No delay in or failure to give a CHC Claims Notice by CHC to the Members' Representative pursuant to this Section 7.5(b) will adversely affect any of the rights or remedies that a CHC Indemnitee has under this Agreement, except to the extent that the Skyline Members and/or Members' Representative is materially prejudiced thereby. The Members' Representative shall respond to CHC (a "Dispute Notice") within 30 calendar days (the "Dispute Period") after the date the CHC Claim Notice is received by the Members' Representative. Any Dispute Notice must specify whether the Members' Representative disputes a CHC Claim described in a CHC Claim Notice (or the amount of Losses set forth therein). If the Members' Representative fails to give a Dispute Notice within the Dispute Period, the Members' Representative will be deemed not to dispute the CHC Claim described in the CHC Claim Notice. If the Members' Representative elects not to dispute a CHC Claim described in a CHC Claim Notice, then CHC shall be entitled to recover from the Skyline Members the amount of Losses specified in the CHC Claim Notice, subject to the limitations contained in this ARTICLE VII. If the Members' Representative delivers a Dispute Notice to CHC within the Dispute Period, CHC and the Members' Representative shall promptly meet and use their commercially reasonable efforts to settle the dispute as to whether and to what extent the CHC Indemnitees are entitled to indemnification on account of such CHC Claim. In connection with the commencement of any arbitration proceedings pursuant to Section 7.5(c), upon either (i) receipt of the final binding decision of the Arbitrator with respect to the subject matter of a Dispute Notice or (ii) written agreement of CHC and Members' Representative with respect to the resolution of the subject matter of a Dispute Notice, CHC shall be entitled to recover from the Skyline Members an amount of Losses in accordance with such determination or resolution, subject to the limitations contained in this ARTICLE VII.

(c) Arbitration. CHC and the Members' Representative shall each provide a list of unresolved CHC Claims and Claims or anticipated claims on the 150th day following the Closing Date (the "Open Dispute Notice"). For the 30 day period following the delivery of an Open Dispute Notice, CHC and the Members' Representative shall meet and use their commercially reasonable efforts to settle any disputes. If CHC and the Members' Representative are unable to reach agreement within 30 calendar days after (i) the conclusion of the Response Period, (ii) CHC receives a Dispute Notice, or (iii) delivery of the Open Dispute Notices, then CHC and the Members' Representative shall submit, in writing, their briefs detailing their views as to the correct nature and amount of each item remaining in dispute to a single arbitrator ("Arbitrator") selected from and administered by the Nevada office of JAMS ("JAMS"), in accordance with its then existing Comprehensive Arbitration Rules & Procedures. The arbitration hearing shall be held in Nevada, and, unless otherwise agreed to in writing by the parties, all substantive and procedural issues arising therein shall be governed by and construed under the laws of the State of Delaware. The Members' Representative and CHC shall use their commercially reasonable efforts to cause the Arbitrator to render a written decision resolving the matters submitted to it within thirty (30) days following the submission thereof. Each party shall bear its own attorneys' fees, costs and disbursements arising out of the arbitration, and shall pay an equal share of the fees and costs of the Arbitrator and JAMS; however, the Arbitrator shall be authorized to determine whether a party is the prevailing party and, if so, to award to that prevailing party reimbursement for its reasonable attorneys' fees, costs and disbursements, and the fees and costs of the Arbitrator and JAMS. Any decision of the Arbitrator shall be final and binding and subject to the limitations set forth in this ARTICLE VII.

(d) Payment of Claims. If and to the extent the CHC Indemnitees are entitled to recover any amounts pursuant to this ARTICLE VII (other than Losses arising out of a breach or inaccuracy of a Fundamental Representation), such amounts shall be recovered only by reducing the principal amount of CHC Convertible Debentures to be issued by CHC pursuant to Section 1.7(b) by a principal amount of CHC Convertible Debentures with a Value equal to such amounts. Notwithstanding anything in this Agreement to the contrary, the CHC Indemnitees shall be entitled to recover any Losses arising out of a breach of inaccuracy of a Fundamental Representation (i) first by reducing the principal amount of CHC Convertible Debentures to be issued by CHC pursuant to Section 1.7(b) by a principal amount of CHC Convertible Debentures with a Value up to the Set-Off Amount in accordance with the foregoing terms, (ii) second, from the Skyline Members pro rata pursuant to the percentages set forth in Section 1.7(a)(i) of the Consideration Spreadsheet by set-off and cancellation against the outstanding CHC Convertible Debentures with a Value equal to such Losses in accordance with the Consideration Spreadsheet, (iii) third, from the Skyline Members pro rata pursuant to the percentages set forth in Section 1.7(a)(i) of the Consideration Spreadsheet by setoffs and cancellation against the outstanding CHC Term Notes in a principal amount equal to such Loses, and (iv) fourth, from the Skyline Members pro rata pursuant to the percentages set forth in Section 1.7(a)(i) of the Consideration Spreadsheet in cash. Notwithstanding anything herein or otherwise to the contrary, the sole remedy for CHC Indemnitees to recover any consideration for a breach of a Fundamental Representation is offset against the CHC Convertible Debentures, CHC Term Debentures and cash issuable, issued or paid to the Skyline Members. If and to the extent the Skyline Indemnitees are entitled to recover any amounts pursuant to this ARTICLE VII (other than Losses arising out of a breach or inaccuracy of a Fundamental Representation), such amounts shall be recovered only by the issuance and delivery by CHC of shares of CHC Common Stock having a Value equal to such amounts. Notwithstanding anything in this Agreement to the contrary, the Skyline Indemnitees shall be entitled to recover any Losses arising out of a breach of inaccuracy of a Fundamental Representation by CHC (i) first from the issuance of shares of CHC Common Stock having a Value of up to $2,000,000 in accordance with the foregoing terms, and (ii) second, in cash by wire transfer of immediately available funds to the Skyline Members no later than three (3) Business Days following the determination of any such amount pursuant to the terms of this Agreement.

(e) Failure of Payment. Notwithstanding anything herein or otherwise to the contrary, except as provided in this Article VII, the Skyline Indemnitees will not be limited in any way in their right to recover against CHC for any failure to deliver the full amount of any and all amounts to be paid and delivered hereunder.

(f) Access to Information. For all purposes of this ARTICLE VII (including those pertaining to disputes under Section 7.5(a) and Section 7.5(b), each Party shall cooperate with and make available to the other Parties and their respective representatives all information, records and data, and shall permit reasonable access to its facilities and personnel, as applicable, as may be reasonably required in connection with the resolution of such disputes unless it would adversely affect the ability of a Party to assert attorney-client privilege, attorney work product privilege or similar privilege.

(g) Opportunity to Defend Third Party Claims. In the event of any claim by a third party against a CHC Indemnitee or Skyline Indemnitee for which indemnification is available hereunder, the party from whom indemnification is being sought (the "Indemnifying Party"), has the right, exercisable by notice to CHC or the Members' Representative, as applicable, within 30 calendar days of receipt of a Notice from CHC or the Members' Representative, as applicable, to assume and conduct the defense of such claim with counsel selected by the Indemnifying Party and reasonably acceptable to the Indemnitee. If the Indemnifying Party has assumed such defense as provided in this Section 7.5(g), the Indemnifying Party will not be liable for any legal expenses subsequently incurred by any Indemnitee in connection with the defense of such claim. If the Indemnifying Party does not assume the defense of any third party claim in accordance with this Section 7.5(g), the Indemnitee may continue to defend such claim at the sole cost and expense of the Indemnifying Party (subject to the limitations set forth in this ARTICLE VII) and the Indemnifying Party may still participate in, but not control, the defense of such third party claim at the Indemnifying Party's sole cost and expense. The Indemnitee will not consent to a settlement of, or the entry of any judgment arising from, any such claim, without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld, delayed or conditioned). Except with the prior written consent of the Indemnitee, no Indemnifying Party, in the defense of any such claim, will consent to the entry of any judgment or enter into any settlement that (i) provides for injunctive or other nonmonetary relief affecting the Indemnitee or (ii) does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnitee of a release from all liability with respect to such claim. The Party responsible for the defense of such third party claim (the "Responsible Party") shall, to the extent reasonably requested by the other Party, keep such other Party informed as to the status of such claim.

7.6 Members' Representative.

(a) Each Skyline Member by virtue of the approval and adoption of this Agreement or by accepting any consideration payable or issuable hereunder shall be deemed to have constituted, appointed and empowered the Members' Representative, for the benefit of the Skyline Members, as the exclusive agent and attorney-in-fact to act for and on behalf of each Skyline Member, in connection with and to facilitate the consummation of the transactions contemplated hereby, which shall include the power and authority: (i) to execute and deliver such waivers, consents and amendments (with respect to any and all matters or issues, including those which may have a negative impact on a Skyline Member) under this Agreement and the other agreements, documents and instruments executed in connection herewith and the consummation of the transactions contemplated hereby as the Members' Representative, in its sole discretion, may deem necessary or desirable; (ii) as the Members' Representative, to enforce and protect the rights and interests of the Skyline Members and to enforce and protect the rights and interests of such Persons arising from the Excluded Assets, out of or under or in any manner relating to this Agreement, and the other agreements, documents and instruments executed in connection herewith and the transactions provided for herein and therein, and to take any and all actions which the Members' Representative believes are necessary or appropriate with respect to the Excluded Assets, under this Agreement and the other agreements, documents and instruments executed in connection herewith for and on behalf of the Skyline Members, including consenting to, compromising or settling any such claims, conducting negotiations with CHC, the Surviving Company and their respective Representatives regarding such claims, and, in connection therewith, to (A) assert any claim or institute any action, proceeding or investigation; (B) investigate, defend, contest or litigate any claim, action, proceeding or investigation initiated by CHC, the Surviving Company or any other Person, or by any Governmental Entity against the Members' Representative and/or any of the Skyline Members, and receive process on behalf of any or all Skyline Members in any such claim, action, proceeding or investigation and compromise or settle on such terms as the Members' Representative shall determine to be appropriate, and give receipts, releases and discharges with respect to, any such claim, action, proceeding or investigation; (C) file any proofs of debt, claims and petitions as the Members' Representative may deem advisable or necessary; (D) settle or compromise any claims asserted under this Agreement; and (E) file and prosecute appeals from any decision, judgment or award rendered in any such action, proceeding or investigation, it being understood that the Members' Representative shall not have any obligation to take any such actions, and shall not have any liability for any failure to take any such actions; (iii) to refrain from enforcing any right of the Skyline Members arising out of or under or in any manner relating to this Agreement and the other agreements, documents and instruments executed in connection herewith; *provided, however*, that no such failure to act on the part of the Members' Representative, except as otherwise provided in this Agreement, shall be deemed a waiver of any such right or interest by the Members' Representative or by the Skyline Members unless such waiver is in a writing signed by the waiving Party or by the Members' Representative; (iv) to make, execute, acknowledge and deliver all such other agreements, guarantees, orders, receipts, endorsements, notices, requests, instructions, certificates, stock powers, letters and other writings, and, in general, to do any and all things and to take any and all action that the Members' Representative, in its sole and absolute discretion, may consider necessary, proper or convenient in connection with or to carry out the transactions contemplated by this Agreement and the other agreements, documents and instruments executed in connection herewith; (v) to engage special counsel, accountants and other advisors and incur such other expenses on behalf of the Members in connection with any matter arising under this Agreement and the other agreements, documents and instruments executed in connection herewith; and (vi) to collect, hold and disburse any amounts, including any portion of the Excluded Assets or CHC Convertible Debentures subject to set-off received by the Members' Representative pursuant to the terms hereof in accordance with the terms of this Agreement and the other agreements, documents and instruments executed in connection herewith. Notwithstanding the foregoing, the Members' Representative may resign at any time by providing written notice of intent to resign to the Skyline Members, which resignation shall be effective upon the earlier of (A) thirty (30) calendar days following delivery of such written notice or (B) the appointment of a successor by the Skyline Members. In addition, the Members' Representative may be removed by the consent of Skyline Members holding a majority of the Membership Units of Skyline outstanding prior to the Closing Date. Skyline Members holding a majority of the Membership Units outstanding prior to the Closing Date shall appoint a new Members' Representative in the event of any vacancy. By executing this Agreement the Members' Representative hereby (x) accepts its appointment and authorization to act as Members' Representative as attorney-in-fact and agent on behalf of the Skyline Members in accordance with the terms of this Agreement and (y) agrees to perform its obligations under, and otherwise comply with, this Section 7.5.

(b) The Members' Representative shall be entitled to receive reimbursement from, and be indemnified by, the Skyline Members for certain expenses, charges and liabilities as provided below. In connection with this Agreement, and in exercising or failing to exercise all or any of the powers conferred upon the Members' Representative hereunder, (i) the Members' Representative shall incur no responsibility whatsoever to any Skyline Members by reason of any error in judgment or other act or omission performed or omitted hereunder, excepting only responsibility for any act or failure to act which represents willful misconduct and (ii) the Members' Representative shall be entitled to rely on the advice of counsel, public accountants or other independent experts experienced in the matter at issue, and any error in judgment or other act or omission of the Members' Representative pursuant to such advice shall in no event subject the Members' Representative to liability to any Skyline Member. Each Skyline Member shall indemnify, severally in proportion to its Pro Rata Share and not jointly, the Members' Representative against all Losses, including reasonable attorneys', accountants' and other experts' fees and the amount of any judgment against them, of any nature whatsoever (including, but not limited to, any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened or any claims whatsoever), arising out of or in connection with any claim, investigation, challenge, action or proceeding or in connection with any appeal thereof, relating to the acts or omissions of the Members' Representative hereunder. The foregoing indemnification shall not apply in the event of any action or proceeding which finally adjudicates the liability of the Members' Representative hereunder for its willful misconduct. In the event of any indemnification hereunder, upon written notice from the Members' Representative to the Skyline Members as to the existence of a deficiency toward the payment of any such indemnification amount, each Skyline Member shall promptly deliver to the Members' Representative full payment of such Skyline Member's share of the amount of such deficiency in proportion to such Skyline Member's Pro Rata Share. The Members' Representative shall only have the duties expressly stated in this Agreement and shall have no other duty, express or implied. The Members' Representative may engage attorneys, accountants and other professionals and experts at the cost and expense of the Skyline Members.

(c) All of the indemnities, immunities and powers granted to the Members' Representative under this Agreement shall survive the Effective Time and/or any termination of this Agreement.

(d) CHC and the Surviving Company shall have the right to rely upon all actions taken or omitted to be taken by the Members' Representative pursuant to this Agreement, all of which actions or omissions shall be legally binding upon the Skyline Members.

(e) The grant of authority provided for herein (i) is coupled with an interest and shall be irrevocable and survive the death, incompetency, bankruptcy or liquidation of any Skyline Member and (ii) shall survive the consummation of the Merger, and any action taken by the Members' Representative pursuant to the authority granted in this Agreement shall be effective and absolutely binding on each Skyline Member notwithstanding any contrary action of or direction from such Skyline Member, except for actions or omissions of the Members' Representative constituting willful misconduct.

(f) Each of Skyline, Merger Sub and CHC acknowledges and agrees that the Members' Representative is a party to this Agreement solely to perform certain administrative functions in connection with the consummation of the transactions contemplated hereby. Accordingly, each of Skyline, Merger Sub and CHC acknowledges and agrees that, other than in the Members' Representative's role as a Skyline Member (if applicable), the Members' Representative shall have no liability to, and shall not be liable for any Losses of, any of Skyline, Merger Sub or CHC or to any Person in connection with any obligations of the Members' Representative under this Agreement or otherwise in respect of this Agreement or the transactions contemplated hereby, except to the extent such Losses shall be proven to be the direct result of fraud by the Members' Representative in connection with the performance by the Members' Representative of its obligations hereunder.

7.7 Treatment of Indemnity Payments. All indemnification payments made under this Agreement shall be deemed to be an adjustment to the Merger Consideration to the extent permitted by applicable Law.

ARTICLE VIII
COVENANTS

8.1 Expenses. Except as otherwise specifically set forth elsewhere in this Agreement, including Section 1.7(a), whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the Contemplated Transactions shall be paid by the Party incurring such cost or expense.

8.2 Stockholder or Member Litigation. Each Party shall promptly provide a notice to the other of any Transaction Legal Action brought by any stockholder or member of such Party, as the case may be, against such Party and/or its Representatives relating to this Agreement or the Contemplated Transactions, including the Merger, and shall promptly inform such other Parties of the status thereof.

8.3 Public Announcements. The initial press release with respect to this Agreement and the Contemplated Transactions shall be a release mutually agreed to by Skyline and CHC. After delivery of the initial press release, Skyline will not issue any press release except with the prior review by and approval of CHC. Skyline and CHC agree that no public release or other public announcement, including any releases, announcements or other correspondence with customers or suppliers of any Party, concerning the Contemplated Transactions shall be issued by (x) CHC or its affiliates without the prior written consent of the Member Representative (which consent shall not be unreasonably withheld, conditioned or delayed), or (y) the Member Representative, Skyline or its affiliates without the prior written consent of CHC (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by applicable Law or the rules or regulations of the SEC or a Governmental Entity to which the relevant Party is subject, wherever situated, in which case the Party required to make the release or announcement shall consult with the other Parties about, and allow the other Parties reasonable time to comment on, such release or announcement in advance of such issuance.

8.4 PPP Loan. Prior to the Closing Date, the Members' Representative shall notify CHC of the outstanding balance of the PPP Loan. Following the Closing, CHC shall cause the Surviving Company to continue to comply with the terms of the PPP Loan so as to maximize the amount to be forgiven, including submitting any required applications for forgiveness in a timely manner, as directed by the Members' Representative.

ARTICLE IX
DEFINED TERMS

9.1 Definitions. For purposes of this Agreement, the following terms will have the following meanings when used herein with initial capital letters:

"ABF Loan" means that certain Loan and Security Agreement, dated September 18, 2019 between Skyline and Access Business Financing LLC.

"Action" means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Entity.

"Affiliate" as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person; for purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by Contract or otherwise.

"Business Day" means a day other than a Saturday, Sunday or any day on which commercial banks located in the State of New York are authorized or obligated to close.

"Computer Software" means all computer programs, databases, compilations, data collections (in each case, whether in human-readable, machine readable, source code or object code form) and documentation related to the foregoing.

"Confidentiality Agreement" means that certain Mutual Confidentiality Agreement between CHC and Skyline dated March 10, 2020.

"Contemplated Transactions" means the Merger and the other transactions contemplated by this Agreement and in the other Transaction Documents.

"Contract" means any contract, agreement, license, lease, guaranty, indenture, sales or purchase order or other legally binding commitment in the nature of a contract (whether or not written) to which a Person is a party.

"CHC Intellectual Property Rights" means any Intellectual Property Rights owned by, licensed to or registered to CHC or any of its subsidiaries, as applicable.

"CHC Material Adverse Effect" means a Material Adverse Effect on CHC.

"CHC Registered Intellectual Property Rights" means any Registered Intellectual Property Rights included in CHC Intellectual Property Rights.

"Derivative Security" means any option, warrant, equity security, equity-linked security, appreciation rights, phantom equity, or similar ownership interests, calls, rights (including preemptive rights), Contracts, commitments or agreements of any character to which the specified Person is a party or by which either is bound obligating such Person to issue, deliver or sell, or cause to be issued, delivered or sold, or repurchase, redeem or otherwise acquire, or cause the repurchase, redemption or acquisition of, or deliver cash or other consideration with respect to, any shares of capital stock or similar ownership interests or equity-linked securities of such Person or obligating such Person to grant, extend, accelerate the vesting of or enter into any such subscription, option, warrant, equity security, equity-linked security, appreciation rights, call, right, commitment or agreement.

"DOL" means the United States Department of Labor.

"Environmental Claim" means any and all administrative, regulatory or judicial Legal Actions alleging Liability arising out of or resulting from: (1) the presence or Release into the environment of any Hazardous Substance at the Skyline Leased Real Estate or CHC Leased Real Estate, as applicable; or (2) any violation of Environmental Law.

"Environmental Laws" means all federal, state or local statutes, laws, regulations, judgments and orders in effect on the Effective Time and relating to protection of human health or the environment, including laws and regulations relating to Releases or threatened Releases of Hazardous Substances, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

"Environmental Permits" means all governmental licenses, permits, registrations and government approvals issued pursuant to Environmental Law.

"Financial Advisor" means any investment bank or financial advisor or Person that acts in any similar capacity that provides financial or investment advisor services to a Party in connection with the Merger.

"Funded Indebtedness" means, without duplication to current liabilities, all: (i) obligations for borrowed money (including any unpaid principal, premium, accrued and unpaid interest, prepayment penalties, commitment and other fees, reimbursements, indemnities and all other amounts payable in connection therewith); (ii) liabilities evidenced by bonds, debentures, notes, or other similar instruments or debt securities; excluding the PPP Loan and the ABF Loan.

"Hazardous Substances" means any chemicals, materials or substances which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants" or similar terms under any Environmental Law.

"Intellectual Property Rights" means all worldwide (a) inventions, whether or not patentable, (b) patents and patent applications, (c) trademarks, trademark applications, service marks, service mark applications, trade dress, logos, Internet domain names and trade names, whether or not registered, and all goodwill associated therewith, (d) rights of publicity and other rights to use the names and likeness of individuals, (e) copyrights and related rights, whether or not registered, (f) Computer Software, data, databases, files, and documentation and other materials related thereto, (g) trade secrets and all confidential, technical, technological, industrial, business processes and business information, (h) know how, (i) all rights in any of the foregoing provided by bilateral or international treaties or conventions, and (j) all rights to sue or recover and retain damages and costs and attorneys' fees for past, present and future infringement or misappropriation of any of the foregoing.

"International Employee Plan" means a Skyline Plan or CNC Plan, as applicable, that has been adopted or maintained by a Person, whether informally or formally, for the benefit of current or former employees of such Person outside the United States.

"IRS" means the United States Internal Revenue Service.

"Knowledge" means, with respect to Skyline or Skyline, the actual knowledge after reasonable enquiry of Harald Braun and John Helson, and with respect to CHC, the actual knowledge after reasonable enquiry of Daniel L. Hodges or Brian T. Mihelich; provided in each case that such enquiry shall not require making enquiries of customers, suppliers or other third-party contractors.

"Legal Action" means any claim, action, suit, arbitration, proceeding or governmental investigation or proceeding.

"Liabilities" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including, without limitation, those arising under any Law, Legal Action or Order and those arising under any contract, agreement, arrangement, commitment or undertaking.

"License Agreements" means all agreements (whether written or oral, including license agreements, research agreements, development agreements, distribution agreements, consent to use agreements and covenants not to sue, or settlement agreements containing like provisions) to which a Person is a party or otherwise bound, pursuant to which a Person has granted or been granted any right to use, exploit or practice any Intellectual Property Rights, or that restrict the right of a Person to use or enforce any Intellectual Property Rights.

"Licensed Intellectual Property Rights" means any Intellectual Property Rights owned by a third party that a Person has a right to use, exploit or practice by virtue of a license grant, immunity from Legal Action or otherwise.

"Liens" means all liens, pledges, hypothecations, charges, mortgages, security interests, encumbrances, claims, infringements, interferences, options, right of first refusals, preemptive rights, community property interests or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset), other than Permitted Liens.

"Material Adverse Effect" means any event, occurrence, fact, condition, state of facts or development or change which, individually or in the aggregate (i) is reasonably expected to result in any change or effect that is materially adverse to the business, results of operations, condition (financial or otherwise), properties, assets liabilities or results of operations of the specified Party and its subsidiaries, taken as a whole; or (ii) is reasonably expected to prevent or materially impede, interfere with, hinder or delay the consummation by such Party of the Contemplated Transactions on a timely basis; provided, however, that none of the following shall be deemed, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: (A) changes generally affecting the economy or financial or securities markets; (B) the announcement of the Contemplated Transactions, including the impact thereof on the relationships, contractual or otherwise, of the specified person with employees, customers, suppliers or counterparty to any Contract of such Party; (C) any change, circumstance, condition, development, effect, event, occurrence or state of facts arising directly or indirectly from or otherwise relating to any outbreak or escalation of war, act of terrorism, national or international calamity, natural disaster (including hurricanes, tornadoes, floods or earthquakes), epidemic, pandemic or any other similar event; (D) changes (including changes of applicable Law) or general conditions in the industry in which such Party operates; (E) changes in GAAP (or authoritative interpretations of GAAP); (F) any Transaction Legal Action, to the extent relating to the negotiations between the Parties and the terms and conditions of this Agreement; and (G) compliance with the terms of, or the taking of any action required by, this Agreement (including, without limitation and for the avoidance of doubt, the terms of Section 8.3); provided, further, however, that any event, change and effect referred to in clauses (A), (C) or (D) immediately above shall be taken into account in determining whether a Material Adverse Effect with respect to the specified Person has occurred or would reasonably be expected to occur to the extent that such event, change or effect has a materially disproportionate effect on such Party, compared to other participants in the industries in which such Party conducts its businesses.

"Material Agreements" means each Contract to which the specified Party is a party or subject to or by which its assets are bound which: (a) provides for obligations, payments, Liabilities, consideration, performance of services or the delivery of goods to or by such Party of any amount or value reasonably expected to be in excess of $100,000 in any annual period; (b) contains covenants limiting the freedom of such Party to engage in any line of business in any geographic area or to compete with any Person or restricting the ability of such Party to acquire equity interests in any Person; (c) is an employment or severance contract or indemnification contract, or a consulting or non-compete agreement, applicable to any employee of such Party whose annual total compensation exceeds $120,000 or any director of such Party; (d) relates to, or is evidence of, or is a guarantee of, or provides security for, indebtedness or the deferred purchase price of property (whether incurred, assumed, guaranteed or secured by any asset of such Party); (e) is a letter of credit, bond or similar arrangement running to the account of, or for the benefit of, such Party in an amount in excess of $100,000; (f) is a lease or agreement under which such Party is a lessor of or permits any third party to hold or operate any property owned or controlled by such Party; (g) relates to the use of, or the right to use, Intellectual Property Rights by such Party, except for any of the foregoing related to the use of generally available Computer Software that is sold or licensed under shrink-wrap or click-through terms; (h) is a collective bargaining agreement; (i) is a joint venture or partnership contract or a limited liability company operating agreement; (j) is entered into with, or otherwise relates to, any Affiliate, officer or director or their family members of such Party; (k) cannot be terminated on less than 60 days' notice without penalty or is continuous over a period of more than one year from the Effective Date and cannot be terminated on less than 60 days' notice, in either case without penalty or payment of an amount (including acceleration of obligations) of $50,000 or more; (l) provides for the payment of cash or other compensation or benefits upon the Merger and the consummation of the Contemplated Transactions; (m) relates to any loan to any directors, officers or Affiliates of such Party; (n) relates to voting, transfer or other arrangements related to any equity interests of such Party or warrants, options or other rights to acquire any equity interests of such Party (other than this Agreement, the Merger and the Contemplated Transactions); or (o) is otherwise material to the operations and business of such Party.

"Membership Units" means Class A Units, Class B Units and Common Units of Skyline, as defined in the Skyline Operating Agreement.

"Members' Representative" means John Helson, or any other Person selected as a successor thereto in accordance with the provisions of this Agreement.

"Ordinary Course of Business" means an action which is taken in the ordinary course of the normal day-to-day operations of the Person taking such action consistent with the past practices of such Person, is not required to be authorized by the board of directors of such Person (or by any Person or group of Persons exercising similar authority) and is similar in nature and magnitude to actions customarily taken, without any authorization by the board of directors (or by any Person or group of Persons exercising similar authority), in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

"OTC Markets" means the OTCQB tier of the OTC Markets, Inc. on which the CHC Common Stock is trading.

"Permitted Liens" means (a) statutory Liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith and for which adequate reserves have been established, (b) mechanics', carriers', workers', repairers' and similar statutory Liens arising or incurred in the Ordinary Course of Business for amounts which are not delinquent or which are being contested by appropriate proceedings, (c) zoning, entitlement, building and other land use regulations imposed by Governmental Entities having jurisdiction over such Person's owned or leased real property, which are not violated by the current use and operation of such real property, (d) covenants, conditions, restrictions, easements and other similar non-monetary matters of record affecting title to such Person's owned or leased real property, which do not materially impair the occupancy or use of such real property for the purposes for which it is currently used in connection with such Person's businesses, (e) any right of way or easement related to public roads and highways, which do not materially impair the occupancy or use of such real property for the purposes for which it is currently used in connection with such Person's businesses, (f) Liens arising under workers' compensation, unemployment insurance, social security, retirement and similar legislation, and (g) any other Liens that, in the aggregate, do not materially impair the value or the continued use and operation of the assets or properties to which they relate, including without limitation, the rights to use a license under the applicable Contract.

"Person" means any individual, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization, entity or Governmental Entity.

"PPP Loan" means the loan evidenced by that certain Note, dated April 17, 2020, issued by Skyline to First Western Trust Bank.

"Pro Rata Share" means each Skyline Member's respective proportionate ownership of Skyline as set forth on Section 2.3(a) of the Skyline Disclosure Letter and the Consideration Spreadsheet.

"Profit Units" means the Class P Incentive Units of Skyline, as defined in the Skyline Operating Agreement.

"Registered Intellectual Property Rights" means all patents and patent applications, registered copyrights and copyright applications, registered trademarks and trademark applications, and any other Intellectual Property Right that is the subject of an application, certificate, filing, registration or other document issued by, filed with, or recorded by, any Governmental Entity.

"Related Party" of any specified Person means: (i) an executive officer or director (or any Person that exercises substantially similar right and authority) of such specified Person; (ii) any Person owning 5% or more of the voting shares of such specified Person (assuming the exercise or conversion of any Derivative Securities of such specified Person that represents, directly or indirectly, the right to acquire voting shares of such specified Person); (iii) any Person that can significantly influence the management or operating policies of such specified Person, including the ability that would prevent such specified Person from fully pursuing its own separate interests, through the ownership of securities, contract or both; or (iv) the immediate family members or Affiliates or associates of any Person described in the foregoing clauses of this paragraph.

"Release" means any release, spill, emission, emptying, leaking, injection, deposit, disposal, discharge, dispersal, leaching, pumping, pouring, or migration into the atmosphere, soil, surface water, groundwater or property.

"Representatives" of any entity means such entity's directors, officers, employees, legal, investment banking and financial advisors, accountants and any other agents and representatives.

"Retained Tax Liabilities" means: (i) all Taxes of Skyline for 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, Taxes attributable to the portion of such taxable period ending on and including the Closing Date as determined under Section 4.2(c); (ii) all Taxes of any member of an affiliated, consolidated, combined or unitary group attributable to Skyline (or any predecessor of Skyline) being or having been a member of such group 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 (iii) any and all Taxes of any person imposed on Skyline arising under the principles of transferee or successor liability or by contract, attributable to an event or transaction occurring before the Closing Date.

"SEC" means the U.S. Securities and Exchange Commission.

"Set-Off Amount" means CHC Convertible Debentures with an aggregate Value of $5,575,000.

"Skyline Intellectual Property Rights" means any Intellectual Property Rights owned by, licensed exclusively to or registered to Skyline.

"Skyline Operating Agreement" means the Second Amended and Restated Operating Agreement of Skyline dated as of June 10, 2019, as in effect on the Agreement Date.

"Skyline Material Adverse Effect" means a Material Adverse Effect on Skyline.

"Skyline Members" means the Persons listed on Schedule 2.3(a) of the Skyline Disclosure Letter or the Skyline Cap Table, which shall include all holders of Membership Units and Profit Units immediately prior to the Effective Time.

"Skyline Registered Intellectual Property Rights" means any Registered Intellectual Property Rights included in Skyline Intellectual Property Rights.

"subsidiary" means, with respect to any Person, any corporation or other organization, whether incorporated or unincorporated, of which more than fifty percent (50%) of either the equity interests in, or the voting control of, such corporation or other organization is, directly or indirectly through subsidiaries or otherwise, beneficially owned by such Person.

"Transaction Documents" means this Agreement and the documents, agreements and instruments referenced herein or entered into in connection with this Agreement, the Merger or the other Contemplated Transactions.

"Transaction Expense Deductions" means, collectively, all federal, state, local, foreign or other income Tax deductions recognized by Skyline or the Surviving Company as a result of, or in connection with, the transactions contemplated by this Agreement, in each case, to the extent related to expenses or costs paid or incurred by Skyline or the Surviving Company on or prior to the Closing Date in connection with such transactions, including such items related to: (a) the vesting or exercise of, or payments with respect to, any equity-based compensation arrangements; (b) the payment of any change in control or stay bonuses, or similar compensatory amounts, to employees or other service providers or to any owner of Skyline; and (c) any acceleration of deferred financing fees related to the repayment of Skyline's indebtedness.

"Value" means, with respect to any CHC Convertible Debenture, the Value of the shares of CHC Common Stock issuable upon the conversion of the principal amount of such CHC Convertible Debenture, and with respect to any shares of CHC Common Stock, an amount equal to the Conversion Price (as defined in the CHC Convertible Debenture).

ARTICLE X
GENERAL PROVISIONS

10.1 Limited Survival of Representations and Warranties. The representations and warranties of Skyline and CHC contained in this Agreement shall terminate on the date (the "Claim Expiration Date") that is 180 days after the Closing Date (or if such date is not a Business Day, then the immediately following Business Day), and only the covenants that by their terms survive the Effective Time shall survive the Closing Date.

10.2 Notices.

(a) All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given and duly delivered: (i) when delivered (or delivery was properly tendered) by hand; (ii) when delivered (or delivery was properly tendered) by the addressee if sent by a nationally recognized overnight courier; or (iii) 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, if the original of such notice was duly transmitted in accordance with (i) or (ii) of this Section 10.2(a) or transmitted by certified 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 10.2(a)):

(b) if to CHC or Merger Subs (or to Skyline, after the Merger), to:

COMSovereign Holding Corp.
5000 Quorum Drive STE 400
Dallas, TX 75254
Attention: Daniel L. Hodges
Email: DHodges@COMSovereign.com

with a copy to (which will not constitute notice to CHC):

Pryor Cashman LLP
7 Times Square
New York, NY 10036
Attention: Eric M. Hellige, Esq.
Email: ehellige@pryorcashman.com

(c) if to Skyline prior to the Merger, to:

Skyline Partners Technology LLC
1200-28th Street, Suite 201
Boulder, Colorado 80303
Attention: John Helson
Email: jhelson@j2partners.com

Mailing Address:
PO Box 18150
Boulder, CO 80308

with a copy to (which will not constitute notice to Skyline):

Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC
2475 Broadway St.
Boulder, CO 80304
Attention: John Gaddis, Esq.
Email: jgaddis@kofirm.com

(d) If to the Members' Representative, to:

Mr. John Helson
5388 Waterstone Drive
Boulder CO 80301
Email:john@helson.net

with copies to (which will not constitute notice to Skyline):

Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC
2475 Broadway St.
Boulder, CO 80304
Attention: John Gaddis, Esq.
Email: jgaddis@kofirm.com

Gary Jacobs
PO Box 18150
Boulder CO 80308
gary@tvpartners.net

Patrick McCamley
1815 South Washington Str,
Denver, CO 80210
patrick@skylinepartnersllc.com

or to such other Persons, addresses or email addresses as may be designated in writing by the Person entitled to receive such communication as provided above.

10.3 Interpretation. When a reference is made in this Agreement to Exhibits, such reference shall be to an Exhibit to this Agreement unless otherwise indicated. When a reference is made in this Agreement to Sections, Schedules, or Exhibits, such reference shall be to a Section, Schedule or Exhibit of or to this Agreement. Unless otherwise indicated the words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The captions and other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. When reference is made herein to "the business of" an entity, such reference shall be deemed to include the business of all direct and indirect subsidiaries of such entity. A reference in this Agreement to $ or dollars is to U.S. dollars. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to "this Agreement" shall mean this Agreement together with the Skyline Disclosure Letter and the CHC Disclosure Letter. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement. Unless the context of this Agreement otherwise requires (a) words of any gender include each other gender and neutral forms of such words, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) references to clauses without a cross-reference to a Section or subsection are references to clauses within the same Section or, if more specific, subsection, (d) references to any Person include the successors and permitted assigns of that Person, or (e) references from or through any date shall mean, unless otherwise specified, from and including or through and including, respectively. The symbol "$" refers to United States Dollars. All references to "days" shall be to calendar days unless otherwise indicated as a "Business Day." Any action otherwise required to be taken on a day that is not a Business Day shall instead be taken on the next succeeding Business Day, and if the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day

10.4 Counterparts. This Agreement may be executed and delivered in multiple counterparts (including facsimile, PDF, DocuSign or other electronic counterparts), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties, it being understood that all Parties need not sign the same counterpart. 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.

10.5 Entire Agreement; Third-Party Beneficiaries. This Agreement and the other Transaction Documents (i) constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof; and (ii) except as expressly provided in this Agreement are not intended to confer upon any other Person any rights or remedies hereunder. Notwithstanding anything herein or otherwise to the contrary, the Skyline Members are express and intended third party beneficiaries of this Agreement.

10.6 Amendment. This Agreement may be amended, supplemented or modified by action taken by or on behalf of each of: (x) the respective Boards of Directors of the Parties in the case of CHC, Merger Sub, and Skyline, and (y) the Member Representative, at any time as set forth in a written instrument duly executed by or on behalf of each Party that sets forth the terms of the relevant amendments, supplements, or modifications.

10.7 Waiver. Any Party, by action taken by or on behalf of its Board of Directors, may to the extent permitted by applicable Law (i) extend the time for the performance of any of the obligations or other acts of the other Party, (ii) unless prohibited by applicable Law, waive any inaccuracies in the representations and warranties or compliance with the covenants and agreements of the other Party contained herein or in any document delivered pursuant hereto or (iii) unless prohibited by applicable Law, waive compliance with any of the conditions of such Party contained herein. No such extension or waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party extending the time of performance or waiving any such inaccuracy or non-compliance. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion.

10.8 Severability. In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. The Parties further agree to negotiate in good faith to modify this Agreement so as to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that is mutually agreeable to the Parties and that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

10.9 Governing Law; Dispute Resolution. This Agreement, and all claims or causes of action (whether at law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the 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) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. Each of the Parties irrevocably (i) consents to submit itself to the personal jurisdiction of the District Court of the State of Nevada in the event any dispute arises out of this Agreement or any of the Contemplated Transactions, and, in connection with any such matter, to service of process by notice as otherwise provided herein, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iii) agrees that it will not bring any action relating to this Agreement or any of the Contemplated Transactions in any court other than the District Court of the State of Nevada. In the event (but only in the event) that the District Court of the State of Nevada does not have subject matter jurisdiction over such action or proceeding, then the Parties will submit to personal jurisdiction of any federal court in the State of Nevada. Any Party may make service on another Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 10.2.

10.10 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that (i) provided that CHC does not terminate this Agreement in accordance with its terms, CHC shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which CHC is entitled at law or in equity; and (ii) provided that Skyline does not terminate this Agreement in accordance with its terms, Skyline shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which Skyline is entitled at law or in equity. In the event that specific performance is granted to a Party pursuant to the terms and conditions herein, such Party shall also be entitled to be awarded its costs and expenses (including reasonable attorneys' fees and expenses) incurred solely in connection with obtaining such specific performance, together with interest on such amounts from the date of the commencement of such proceeding until the date of payment at the prime lending rate as published in The Wall Street Journal in effect on the date of the commencement of such proceeding. The preceding sentence will not limit the right or ability of a Party seeking specific performance to recover damages, costs or expenses, under another provision of this Agreement or of any other Transaction Document.

10.11 Rules of Construction. The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

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

10.13 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION 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 OTHER TRANSACTION DOCUMENTS OR THE CONTEMPLATED TRANSACTIONS. EACH PARTY 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 10.12.

10.14 **Limitation on Damages**. **In no event will any Party or any shareholder, stockholder, member or partner of any Party be liable to any other Party under or in connection with this Agreement or in connection with the Contemplated Transactions for special, general, indirect, consequential, or punitive or exemplary damages, including damages for lost profits or lost opportunity, even if the Party or any shareholder of member of such Party sought to be held liable has been advised of the possibility of such damage.**

10.15 Attorney-Client Privilege. All communications involving attorney-client privilege between Skyline or Skyline Members (collectively, the "Company Securityholders"), on the one hand, and their respective counsels, including Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC, on the other hand, in the course of the negotiation, documentation and consummation of the transactions contemplated hereby shall be deemed to be attorney-client confidences that belong solely to such Company Securityholder (and not Skyline). Accordingly, neither Skyline or the Surviving Company shall have access to any such communications, or to the files of Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC relating to such engagement. Without limiting the generality of the foregoing, upon and after the Effective Time, (a) the Company Securityholders and their Affiliates (and not the Surviving Company) shall be the sole holders of the attorney-client privilege with respect to such engagement, and neither Skyline or the Surviving Company shall be a holder thereof, (b) to the extent that files of Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC in respect of such engagement constitute property of the client, only the Company Securityholders and their Affiliates (and not Skyline or Surviving Corporation) shall hold such property rights and (c) Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to any member of Skyline or the Surviving Company by reason of any attorney-client relationship between Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC and Skyline or otherwise; *provided* that the foregoing shall not extend to any communication or files not involving the negotiation, documentation and consummation of the transactions contemplated this Agreement. Notwithstanding the foregoing, in the event that a dispute arises between CHC, the Surviving Company and the Company Securityholders and a third party (other than a party to this Agreement or any of their respective Affiliates) after the Effective Time, Skyline or the Surviving Company may assert the attorney-client privilege to prevent disclosure of confidential communications by Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC to such third party; *provided*, *however*, that Skyline or Surviving Company may not waive such privilege without the prior written consent of the Member Representative.

10.16 Company Counsel. Notwithstanding that Skyline has been represented by Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC in the preparation, negotiation and execution of this Agreement, Skyline, CHC and the Surviving Company agree that, after the Effective Time, Koenig, Oelsner, Taylor, Schoenfeld & Gaddis PC may represent the Company Securityholders and their affiliates in matters related to this Agreement, including in respect of any indemnification claims.

[Remainder of Page Intentionally Left Blank]

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

COMSovereign Holding Corp.

By: /s/ Daniel L. Hodges
Name: Daniel L. Hodges
Title: Chief Executive Officer

CHC Merger Sub 8, LLC

By: /s/ Kevin M. Sherlock
Name: Kevin M. Sherlock
Title: Chief Executive Officer

Skyline Partners Technology LLC

By: /s/ Harald Braun
Name: Harald Braun
Title: Executive Chairman

/s/ John Helson
John Helson, as Members' Representative

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Skyline Disclosure Letter

(separately attached)

CHC Disclosure Letter

(separately attached)

Exhibit C – Form of CHC Convertible Debenture

Exhibit 10.2

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of August 21, 2020, between ComSovereign Holding Corp., a Nevada corporation (the "Company"), and each purchaser identified on the signature pages hereto (each, including its successors and assigns, a "Purchaser" and collectively, the "Purchasers").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 3(a)(9) and Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 promulgated thereunder, the Company desires to issue and sell to each Purchaser, and each Purchaser, severally and not jointly, desires to purchase from the Company, securities of the Company.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Notes (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.7.

"Action" shall have the meaning ascribed to such term in Section 3.1(j).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing Shares" means, collectively, 400,000 shares of Common Stock issuable to the Purchaser at Closing pursuant to this Agreement.

"Closing Dates" means the Trading Days on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto in connection with a Closing, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount as to such Closing and (ii) the Company's obligations to deliver the Securities as to such Closing, in each case, have been satisfied or waived.

"Closing(s)" means the one or more closings of the purchase and sale of the Securities pursuant to Section 2.1.

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

"Common Stock" means the common stock of the Company, par value $0.0001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Company Counsel" means Pryor Cashman LLP, with offices located at 7 Times Square, New York, New York 10036-0846.

"Conversion Price" shall have the meaning ascribed to such term in the Notes.

"Conversion Shares" means, collectively, the shares of Common Stock issuable upon conversion of the Notes.

"Disclosure Schedules" shall have the meaning ascribed to such term in Section 3.1.

"Evaluation Date" shall have the meaning ascribed to such term in Section 3.1(r).

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

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, officers, directors or consultants of the Company pursuant to the Company's existing stock option and/or restricted stock plans, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock, issued and outstanding on the date of this Agreement, or pursuant to other agreements of the Company existing prior to the date hereof and listed on Schedule 3.1(g), provided that such securities and/or agreements have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities, and (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"GAAP" shall have the meaning ascribed to such term in Section 3.1(h).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(o).

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liens" means a lien, charge, pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"Material Permits" shall have the meaning ascribed to such term in Section 3.1(m).

"Maximum Rate" shall have the meaning ascribed to such term in Section 5.17.

"Notes" shall mean all of the Notes issued or issuable pursuant to this Agreement, in the form of Exhibit A hereto.

"Participation Maximum" shall have the meaning ascribed to such term in Section 4.12(a).

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Pre-Notice" shall have the meaning ascribed to such term in Section 4.12(b).

"Pro Rata Portion" shall have the meaning ascribed to such term in Section 4.12(e).

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an informal investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.3(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.3(b).
"Purchaser Party" shall have the meaning ascribed to such term in Section 4.10.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

"Required Minimum" means, as of any date, the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Transaction Documents, including any Conversion Shares issuable upon conversion in full of all of the Notes, ignoring any conversion limits set forth therein.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(h).

"Securities" means the Notes, the Conversion Shares, and the Closing Shares.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

"Subscription Amount" shall mean, as to each Purchaser, the aggregate amount to be paid for the Notes purchased hereunder as specified below such Purchaser's name as set forth on the signature page hereto executed by such Purchaser under the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.12(a).

"Subsequent Financing Notice" shall have the meaning ascribed to such term in Section 4.12(b).

"Subsidiary" means any subsidiary of the Company as set forth on Schedule 3.1(a) and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTC Bulletin Board or the OTC Markets (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the Notes, the Closing Shares, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means ClearTrust Shareholder Services, the current transfer agent of the Company, with a mailing address of 16540 Pointe Village Drive, Suite 205, Lutz, FL 33558, and any successor transfer agent of the Company.

"VWAP" means, for or as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded) during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "HP" function (set to weighted average) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

ARTICLE II.
PURCHASE AND SALE

2.1 Closing. The Purchaser will purchase an aggregate of $1,500,000 in Subscription Amount of Notes in one (1) tranche ("Tranche"). At the Closing, each Purchaser shall deliver to the Company, via wire transfer or a certified check, immediately available funds equal to such Purchaser's Subscription Amount (as set forth on the signature page hereto executed by such Purchaser), and the Company shall deliver to each Purchaser its respective Notes and Closing Shares (as set forth on the signature page hereto executed by such Purchaser), and the Company and each Purchaser shall deliver the other items set forth in Section 2.3 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.3 and 2.4 for the Closing, the Closing shall occur at the offices of the Purchaser's counsel or such other location as the parties shall mutually agree.

2.2 Deliveries.

(a) On or prior to the Closing Date (or as otherwise indicated below), the Company shall deliver or cause to be delivered to each Purchaser the following:

(i) At the Closing, this Agreement duly executed by the Company;

(ii) an executed Note in the amount for such Closing as set forth on the signature page hereto executed by such Purchaser; and

(iii) the Closing Shares in the amount for such Closing as set forth on the signature page hereto executed by such Purchaser.

(b) On or prior to the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, as applicable, the following:

(i) At the Closing, this Agreement duly executed by such Purchaser;

(ii) such Purchaser's Subscription Amount for such Closing by wire transfer to the account specified in writing by the Company.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the Closing Date of the representations and warranties of the Purchasers contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement.

(b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and

(v) from the date hereof to the Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the applicable Closing.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the SEC Reports or in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Subsidiaries. All of the direct and indirect subsidiaries of the Company are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities. If the Company has no subsidiaries, all other references to the Subsidiaries or any of them in the Transaction Documents shall be disregarded.

(b) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(c) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(d) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.6 of this Agreement, (ii) the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Conversion Shares and the Closing Shares for trading thereon in the time and manner required thereby, and (iii) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Conversion Shares and the Closing Shares, when issued in accordance with the terms of the Transaction Documents, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company other than restrictions on transfer provided for in the Transaction Documents. The Company has reserved from its duly authorized capital stock a number of shares of Common Stock for issuance of the Conversion Shares at least equal to 300% of the Required Minimum on the date hereof.

(g) Capitalization. The capitalization of the Company is as set forth on Schedule 3.1(g), which Schedule 3.1(g) shall also include the number of shares of Common Stock owned beneficially, and of record, by Affiliates of the Company as of the date hereof. Except as set forth on Schedule 3.1(g), the Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee stock options under the Company's stock option plans, the issuance of shares of Common Stock to employees pursuant to the Company's employee stock purchase plans and pursuant to the conversion and/or exercise of Common Stock Equivalents outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as set forth on Schedule 3.1(g) and except as a result of the purchase and sale of the Securities, there are no outstanding options, warrants, scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock Equivalents. The issuance and sale of the Securities will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Purchasers) and will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Company are duly authorized, validly issued, fully paid and nonassessable, have been issued in compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any stockholder, the Board of Directors or others is required for the issuance and sale of the Securities. There are no stockholders agreements, voting agreements or other similar agreements with respect to the Company's capital stock to which the Company is a party or, to the knowledge of the Company, between or among any of the Company's stockholders.

(h) SEC Reports; Financial Statements. Except as set forth on Schedule 3.1(h), the Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company has ceased to be an issuer subject to Rule 144(i) under the Securities Act, one year has elapsed from the time the Company has filed current Form 10 information with the SEC and has filed all required annual and quarterly reports in the preceding 12 months period. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments. For purposes of the disclosures made by the Company pursuant to this Agreement, the term "SEC Reports" shall also be deemed to include the unfiled draft of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (the "Draft 10-K") which the Company has provided on a confidential basis to the Purchasers on or prior to the date of this Agreement.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed prior to the date hereof: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting, and (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock. The Company does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least 1 Trading Day prior to the date that this representation is made.

(j) Litigation. Except as may be disclosed in the SEC Reports, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the knowledge of the Company, there is not pending or contemplated, any investigation by the Commission involving the Company or any current or former director or officer of the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(k) Labor Relations. No labor dispute exists or, to the knowledge of the Company, is imminent with respect to any of the employees of the Company, which could reasonably be expected to result in a Material Adverse Effect. None of the Company's or its Subsidiaries' employees is a member of a union that relates to such employee's relationship with the Company or such Subsidiary, and neither the Company nor any of its Subsidiaries is a party to a collective bargaining agreement, and the Company and its Subsidiaries believe that their relationships with their employees are good. To the knowledge of the Company, no executive officer of the Company or any Subsidiary, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject the Company or any of its Subsidiaries to any liability with respect to any of the foregoing matters. The Company and its Subsidiaries are in compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(l) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority, or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(n) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except for (i) Liens as may be disclosed in the SEC Reports, (ii) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries, and (iii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made therefor in accordance with GAAP and, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance.

(o) Intellectual Property. The Company and the Subsidiaries have, or have rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights as described in the SEC Reports as necessary or required for use in connection with their respective businesses and which the failure to so have could have a Material Adverse Effect (collectively, the "Intellectual Property Rights"). None of, and neither the Company nor any Subsidiary has received a notice (written or otherwise) that any of, the Intellectual Property Rights has expired, terminated or been abandoned, or is expected to expire or terminate or be abandoned, within two (2) years from the date of this Agreement. Neither the Company nor any Subsidiary has received, since the date of the latest audited financial statements included within the SEC Reports, a written notice of a claim or otherwise has any knowledge that the Intellectual Property Rights violate or infringe upon the rights of any Person, except as could not have or reasonably be expected to not have a Material Adverse Effect. To the knowledge of the Company, all such Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Intellectual Property Rights. The Company and its Subsidiaries have taken reasonable security measures to protect the secrecy, confidentiality and value of all of their intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(p) Insurance. Except as set forth on Schedule 3.1(p), the Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged. Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(q) Transactions With Affiliates and Employees. Except as set forth in the SEC Reports, none of the officers or directors of the Company or any Subsidiary and, to the knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for: (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company, and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(r) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of each Closing Date. Except as disclosed in the SEC Reports, the Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(s) Certain Fees. Other than the fees or commissions payable by the Company to ThinkEquity, a Division of Fordham Financial Management, Inc., no brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(t) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchasers as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market.

(u) No "Bad Actor" Disqualification. The Company has exercised reasonable care to determine whether any Company Covered Person (as defined below) is subject to any of the "bad actor" disqualifications described in Rule 506(d)(1)(i) through (viii), as modified by Rules 506(d)(2) and (d)(3), under the Securities Act ("Disqualification Events"). To the Company's knowledge, no Company Covered Person is subject to a Disqualification Event. The Company has complied, to the extent required, with any disclosure obligations under Rule 506(e) under the Securities Act. For purposes of this Agreement, "Company Covered Persons" are those persons specified in Rule 506(d)(1) under the Securities Act; provided, however, that Company Covered Persons do not include (a) any Purchaser, or (b) any person or entity that is deemed to be an affiliated issuer of the Company solely as a result of the relationship between the Company and any Purchaser.

(v) Investment Company. The Company is not, and is not an Affiliate of, and immediately after receipt of payment for the Securities, will not be or be an Affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended. The Company shall conduct its business in a manner so that it will not become an "investment company" subject to registration under the Investment Company Act of 1940, as amended.

(w) Registration Rights. Except as may be disclosed in the SEC Reports, no Person has any right to cause the Company to effect the registration under the Securities Act of any securities of the Company or any Subsidiary.

(x) Listing and Maintenance Requirements. The Common Stock is not registered pursuant to Section 12(b) or 12(g) of the Exchange Act. Except as may be disclosed in the SEC Reports, the Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided any of the Purchasers or their agents or counsel with any information that it believes constitutes or might constitute material, non-public information. The Company understands and confirms that the Purchasers will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchasers regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

(z) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

(aa) Tax Status. Except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, whether or not shown or determined to be due on such returns, reports and declarations, and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary know of no basis for any such claim.

(bb) No General Solicitation. Neither the Company nor any person acting on behalf of the Company has offered or sold any of the Securities by any form of general solicitation or general advertising. The Company has offered the Securities for sale only to the Purchasers and certain other "accredited investors" within the meaning of Rule 501 under the Securities Act.

(cc) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law, or (iv) violated in any material respect any provision of FCPA.

(dd) Accountants. The Company's accounting firm is set forth in the SEC Reports. To the knowledge and belief of the Company, such accounting firm: (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ending December 31, 2020.

(ee) No Disagreements with Accountants and Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(ff) Acknowledgment Regarding Purchasers' Purchase of Securities. The Company acknowledges and agrees that each of the Purchasers is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that no Purchaser is acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by any Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchasers' purchase of the Securities. The Company further represents to each Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(gg) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding (except for Section 4.15 hereof), it is understood and acknowledged by the Company that: (i) none of the Purchasers has been asked by the Company to agree, nor has any Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after a closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities, (iii) any Purchaser, and counter-parties in "derivative" transactions to which any such Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Stock, and (iv) each Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) one or more Purchasers may engage in hedging activities at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of the Conversion Shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

(hh) Regulation M Compliance. The Company has not, and no one acting on its behalf has, (i) taken, directly or indirectly, any action designed to cause or to result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of any of the Securities, (ii) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities, or (iii) paid or agreed to pay to any Person any compensation for soliciting another to purchase any other securities of the Company, other than, in the case of clauses (ii) and (iii), compensation paid to the Company's placement agent in connection with the placement of the Securities.

(ii) Stock Option Plans. Each stock option granted by the Company under the Company's stock option plan was granted (i) in accordance with the terms of the Company's stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under the Company's stock option plan has been backdated. The Company has not granted, and there is no and has been no Company policy or practice to grant, stock options prior to, or otherwise coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(jj) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor any director, officer, agent, employee or affiliate of the Company or any Subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(kk) U.S. Real Property Holding Corporation. The Company is not and has never been a U.S. real property holding corporation within the meaning of Section 897 of the Internal Revenue Code of 1986, as amended, and the Company shall so certify upon Purchaser's request.

(ll) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, five percent (5%) or more of the outstanding shares of any class of voting securities or twenty-five percent or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(mm) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Company or any Subsidiary, threatened.

3.2 Representations and Warranties of the Purchasers. Each Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of each Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to any registration statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it converts any Notes, it will be either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Such Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(f) No "Bad Actor" Disqualification. Such Purchaser represents and warrants that neither (A) the Purchaser nor (B) any entity that controls the Purchaser or is under the control of, or under common control with, the Holder, is subject to any Disqualification Event, except for Disqualification Events covered by Rule 506(d)(2)(ii) or (iii) or (d)(3) under the Securities Act and disclosed in writing in reasonable detail to the Company. The Purchaser represents that the Purchaser has exercised reasonable care to determine the accuracy of the representation made by the Purchaser in this paragraph, and agrees to notify the Company if the Purchaser becomes aware of any fact that makes the representation given by the Purchaser hereunder inaccurate.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Securities in the following form:

[NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE] [NOR THE SECURITIES FOR WHICH THIS SECURITY MAY BE EXERCISED] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY. THIS SECURITY [AND THE SECURITIES ISSUABLE UPON [CONVERSION/EXERCISE] OF THIS SECURITY] MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

The Company acknowledges and agrees that a Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, such Purchaser may transfer pledged or secured Securities to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities, including, if the Securities are registered under a registration statement, the preparation and filing of any required prospectus supplement under Rule 424(b)(3) under the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of selling stockholders thereunder.

(c) Certificates evidencing the Conversion Shares and the Closing Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Conversion Shares or Closing Shares pursuant to Rule 144, (iii) if such Conversion Shares or Closing Shares are eligible for sale under Rule 144, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Conversion Shares or Closing Shares and without volume or manner-of-sale restrictions, or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). The Company shall cause its counsel to issue a legal opinion to the Transfer Agent promptly after the events described in clauses (i)-(iv) in the immediately preceding sentence if required by the Transfer Agent to effect the removal of the legend hereunder. If all or any Notes are converted at a time when there is an effective registration statement to cover the resale of the Conversion Shares or Closing Shares, or if such Conversion Shares or Closing Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144, or if the Conversion Shares or Closing Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Conversion Shares or Closing Shares and without volume or manner-of-sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Conversion Shares or Closing Shares shall be issued free of all legends. The Company agrees that following such time as such legend is no longer required under this Section 4.1(c), it will, no later than three Trading Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Conversion Shares or Closing Shares, as applicable, issued with a restrictive legend (such third Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4. Certificates for Conversion Shares or Closing Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by such Purchaser.

(d) In addition to such Purchaser's other available remedies, the Company shall pay to a Purchaser, in cash, as partial liquidated damages and not as a penalty, for each $1,000 of Conversion Shares or Closing Shares (based on the VWAP of the Common Stock on the date such Securities are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day (increasing to $20 per Trading Day five (5) Trading Days after such damages have begun to accrue) for each Trading Day after the Legend Removal Date until such certificate is delivered without a legend. Nothing herein shall limit such Purchaser's right to pursue actual damages for the Company's failure to deliver certificates representing any Securities as required by the Transaction Documents, and such Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.2 Acknowledgment of Dilution. The Company acknowledges that the issuance of the Securities may result in dilution of the outstanding shares of Common Stock, which dilution may be substantial under certain market conditions. The Company further acknowledges that its obligations under the Transaction Documents, including, without limitation, its obligation to issue the Conversion Shares and the Closing Shares pursuant to the Transaction Documents, are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of the effect of any such dilution or any claim the Company may have against any Purchaser and regardless of the dilutive effect that such issuance may have on the ownership of the other stockholders of the Company.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities or that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4 Conversion and Exercise Procedures. The form of Notice of Conversion included in the Notes set forth the totality of the procedures required of the Purchasers in order to convert the Notes. Without limiting the preceding sentences, no ink-original Notice of Conversion or Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form or Notice of Exercise form be required in order to convert the Notes. No additional legal opinion, other information or instructions shall be required of the Purchasers to convert their Notes. The Company shall honor conversions of the Notes and shall deliver Conversion Shares or Closing Shares in accordance with the terms, conditions and time periods set forth in the Transaction Documents.

4.5 Securities Laws Disclosure; Publicity. No later than the earlier of the fourth Business Day following the Closing, the Company shall file a periodic report with the Commission describing (to the extent required) the material terms of the Transactions Documents, and also including the Transaction Documents as exhibits to such periodic filing. From and after the filing of such periodic report, the Company represents to the Purchaser that it shall have publicly disclosed all material, non-public information delivered to any of the Purchasers by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. The Company and each Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of each Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. The Company shall not, and shall cause each of its Subsidiaries and its and each of their respective officers, directors, employees, affiliates and agents, not to, provide any Purchaser with any material, nonpublic information regarding the Company or any of its Subsidiaries from and after the date hereof without the express prior written consent of such Purchaser. If a Purchaser has, or believes it has, received any such material, nonpublic information regarding the Company or any of its Subsidiaries from the Company, any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agents, it may provide the Company with written notice thereof. The Company shall, within one (1) Trading Day of receipt of such notice, make public disclosure of such material, nonpublic information. In the event of a breach of the foregoing covenant by the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees, affiliates and agents, in addition to any other remedy provided herein or in the Transaction Documents, a Purchaser shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such material, nonpublic information without the prior approval by the Company, its Subsidiaries, or any of its or their respective officers, directors, employees, affiliates or agents. No Purchaser shall have any liability to the Company, its Subsidiaries, or any of its or their respective officers, directors, employees, affiliates, stockholders or agents for any such disclosure. To the extent that the Company delivers any material, nonpublic information to a Purchaser without such Purchaser's consent, the Company hereby covenants and agrees that such Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agent with respect to, or a duty to the Company, any of its Subsidiaries or any of their respective officers, directors, employees, affiliates or agent not to trade on the basis of, such material, nonpublic information. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except: (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission, (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchasers with prior notice of such disclosure permitted under this clause (b) and (c).

4.6 Shareholder Rights Plan. No claim will be made or enforced by the Company or, with the consent of the Company, any other Person, that any Purchaser is an "Acquiring Person" under any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or similar anti-takeover plan or arrangement in effect or hereafter adopted by the Company, or that any Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Securities under the Transaction Documents or under any other agreement between the Company and the Purchasers.

4.7 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Purchaser shall have entered into a written agreement with the Company regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.8 Use of Proceeds. The Company shall use the proceeds from this offering for general corporate purposes.

4.9 Indemnification of Purchasers. Subject to the provisions of this Section 4.10, the Company will indemnify and hold each Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls such Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any such Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of such Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of such Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings such Purchaser Party may have with any such stockholder or any violations by such Purchaser Party of state or federal securities laws or any conduct by such Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, such Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of such Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (y) for any settlement by a Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by such Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.10 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.10 Reservation and Listing of Securities.

(a) The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as equals 300% of the Required Minimum.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than 300% of (i) the Required Minimum on such date, minus (ii) the number of shares of Common Stock previously issued pursuant to the Transaction Documents, then the Board of Directors shall use commercially reasonable efforts to amend the Company's certificate or articles of incorporation to increase the number of authorized but unissued shares of Common Stock to at least the Required Minimum at such time (minus the number of shares of Common Stock previously issued pursuant to the Transaction Documents), as soon as possible and in any event not later than the 90th day after such date, provided that the Company will not be required at any time to authorize a number of shares of Common Stock greater than the maximum remaining number of shares of Common Stock that could possibly be issued after such time pursuant to the Transaction Documents.

(c) The Company shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application covering a number of shares of Common Stock at least equal to the Required Minimum on the date of such application, (ii) take all steps necessary to cause such shares of Common Stock to be approved for listing or quotation on such Trading Market as soon as possible thereafter, (iii) provide to the Purchasers evidence of such listing or quotation, and (iv) maintain the listing or quotation of such Common Stock on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market.

4.11 Equal Treatment of Purchasers. No consideration (including any modification of any Transaction Document) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of this Agreement unless the same consideration is also offered to all of the parties to this Agreement. For clarification purposes, this provision constitutes a separate right granted to each Purchaser by the Company and negotiated separately by each Purchaser, and is intended for the Company to treat the Purchasers as a class and shall not in any way be construed as the Purchasers acting in concert or as a group with respect to the purchase, disposition or voting of Securities or otherwise.

4.12 Certain Transactions and Confidentiality. Each Purchaser, severally and not jointly with the other Purchasers, covenants that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will (i) execute any Short Sales, of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly disclosed as described in Section 4.6 or (ii) from the date hereof until the date that the Notes are no longer outstanding, execute any Short Sales of the Common Stock (provided that this provision shall not prohibit any sales made where a corresponding Notice of Conversion or Notice of Exercise is tendered to the Company and the shares received upon such conversion or exercise are used to close out such sale) (a "Prohibited Short Sale"). Each Purchaser, severally and not jointly with the other Purchasers, covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to Section 4.6, such Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Transaction Documents and the Disclosure Schedules. Notwithstanding the foregoing, and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) no Purchaser makes any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly disclosed pursuant to Section 4.6, (ii) except for a Prohibited Short Sale, no Purchaser shall be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly disclosed pursuant to Section 4.6, and (iii) no Purchaser shall have any duty of confidentiality to the Company or its Subsidiaries after the initial public disclosure described in Section 4.6. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the covenant set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.13 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof, promptly upon request of any Purchaser. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchasers under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of any Purchaser.

4.14 Proceeds of Public Offering of Securities. The Company agrees to repay the Notes in full within one (1) Business Day of the closing of its proposed public offering of Common Stock and warrants (as contemplated by the draft registration statement on Form S-1 submitted to the Securities and Exchange Commission on a confidential basis on July 10, 2020) (the "Public Offering"), from the net proceeds of the Public Offering, prior to applying the net proceeds of the Public Offering for any other purposes. The Purchasers hereby waive any notice of such prepayment as would otherwise be required by Section 2(c) of the Notes.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any Purchaser, as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and the other Purchasers, by written notice to the other parties, if the first Closing has not been consummated on or before August 28, 2020; provided, however, that such termination will not affect the right of any party to sue for any breach by any other party (or parties).

5.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents or any other writing to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement; provided that at the Closing the Company shall pay the Purchasers an aggregate of $5,000 for their legal fees (net of any expenses paid in advance). The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any conversion notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchasers.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via email or facsimile at the email or facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via email or facsimile at the email or facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2^{nd}) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchasers holding at least 67% in interest of the Securities then outstanding or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Any Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

5.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.10 and this Section 5.8.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in Bergen, Essex and Hudson Counties, State of New Jersey. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Bergen, Essex and Hudson Counties, State of New Jersey for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If either party shall commence an action, suit or proceeding to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 4.10, the prevailing party in such action, suit or proceeding shall be reimbursed by the other party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

5.10 Survival. The representations and warranties contained herein shall survive each Closing and the delivery of the Securities.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that in the case of a rescission of a conversion of the Notes, the applicable Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion notice or exercise notice concurrently with the restoration of such Purchaser's right to acquire such shares pursuant to such Purchaser's Notes.

5.14 Replacement of Securities. If any certificate or instrument evidencing any Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity) associated with the issuance of such replacement Securities.

5.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.16 Payment Set Aside. To the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

5.17 Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "Maximum Rate"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to any Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

5.18 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance or non-performance of the obligations of any other Purchaser under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. Each Purchaser has been represented by its own separate legal counsel in its review and negotiation of the Transaction Documents. The Company has elected to provide all Purchasers with the same terms and Transaction Documents for the convenience of the Company and not because it was required or requested to do so by any of the Purchasers.

5.19 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

5.20 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.21 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.22 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

COMSOVEREIGN HOLDING CORP.

By: /s/ Daniel L. Hodges
Name: Daniel L. Hodges
Title: Chairman and Chief Executive Officer

Address for Notice:

ComSovereign Corp.
6600 N. Eagle Ridge Drive
Tucson, AZ 85750
dhodges@comsovereign.com

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

ComSovereign Holding Corp.
5000 Quorum Drive STE 400
Dallas, TX 75254
Attn: Kevin M. Sherlock,
ksherlock@comsovereign.com

Pryor Cashman LLP
7 Times Square
New York, NY 10036
Attn: Eric M. Hellige, Esq.
ehellige@pryorcashman.com

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SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: RedDiamond Partners LLC

Signature of Authorized Signatory of Purchaser: /s/ John DeNobile

Name of Authorized Signatory: John DeNobile

Title of Authorized Signatory: Manager

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

Address for Notice to Purchaser:

Address for Delivery of Securities to Purchaser (if not same as address for notice):

Closing - Subscription Amount: $1,500,000
Closing - $1,700,000 Aggregate Principal Amount of Notes (13.33% OID)
Closing – 400,000 Common Shares.

Exhibit 99.1

COMSovereign Holding Corp. to Acquire Fastback Networks, Adding Key Radio Capability and Building 5G Intellectual Property Portfolio

- Patents and Advanced Intelligent Backhaul Radio Technologies Solidify COMSovereign's Position in U.S.-Based 5G Network Infrastructure Market -

DALLAS, TX – August 24, 2020 – COMSovereign Holding Corp. (OTCQB: COMS) ("COMSovereign" or the "Company"), a U.S.-based pure-play developer of 5G connectivity and data transmission systems, announced today that it has agreed to acquire all of the equity interests of Skyline Technology Partners, LLC d/b/a Fastback Networks ("Fastback"). The transaction includes all operations, customers and intellectual property of Fastback, and when completed, will significantly expand the Company's wireless backhaul technology offerings to include intelligent backhaul radios ("IBR") designed for Tier 1 service providers currently deploying 5G and next generation public and private mobile networks.

Terms of the transaction include total consideration of approximately $14 million consisting of cash, debentures, and debentures convertible into common stock. The transaction is expected to close within approximately 30 days and is subject to several closing conditions.

Since its founding in 2010, Fastback has been a leader in the development and commercialization of innovative IBR systems that deliver high-performance wireless connectivity to virtually any location including those challenged by Non-Line of Sight (NLOS) limitations. Fastback's advanced IBR products allow operators to economically add capacity and density to their macrocells and expand service coverage density with small cells. These solutions also allow operators to both provide temporary cellular and data service utilizing mobile/portable radio systems and provide wireless Ethernet connectivity. Fastback's significant U.S. patent portfolio consists of 65 granted and active patents and 12 pending patents. Collectively the portfolio covers key technologies including antenna arrays, signal processing, adaptive antennas, beamforming/steering, self-optimizing networks, spectrum sharing and hybrid band operations.

Chairman and CEO of COMSovereign Holding Corp., Dan Hodges, stated, "Fastback Networks has been a leading U.S.-based innovator in the market for advanced wireless backhaul technology for nearly a decade, with its IBR systems currently deployed with global Tier 1 operators. Through this acquisition, not only does COMSovereign immediately gain commercialized, market-tested 5G backhaul products to add to our offerings, but also gains access to a deep and valuable intellectual property portfolio which we intend to leverage to the benefit of our customers and stakeholders."

"COMSovereign has assembled an impressive product portfolio to address the U.S. 5G mobility market. With the addition of Fastback Networks product and patent portfolio, COMSovereign will considerably increase the capabilities of its innovative connectivity and backhaul solution portfolio and we are excited to be a part of their journey to deliver on the promises of 5G," said Harald Braun, Executive Chairman of Fastback Networks.

For more information about COMSovereign, please visit www.COMSovereign.com and connect with us on Facebook and Twitter.

About COMSovereign Holding Corp.
COMSovereign Holding Corp. (OTCQB: COMS) has assembled a portfolio of communications technology companies that enhance connectivity across the entire data transmission spectrum. Through strategic acquisitions and organic research and development efforts, COMSovereign has become a U.S.-based pure-play communications provider able to provide LTE Advanced and 5G-NR telecom solutions to network operators and enterprises. For more information about COMSovereign, please visit www.COMSovereign.com or view the reports that it files with or furnishes to the Securities and Exchange Commission (the "SEC") at www.sec.gov, including the Risk Factors included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as well as information in its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

About Fastback Networks
Fastback Networks delivers innovative technology for the mobile infrastructure of the future. Fastback solutions enable network operators to expand and enhance services, and private networks to secure, monitor, and manage operations via high capacity data connectivity. With insights derived from the team's experience building leading-edge radio and data networking solutions, Fastback Networks looks at the challenges of 4G/5GLTE deployment with fresh eyes and better ideas, and develops transformational mobile backhaul solutions that enable the acceleration of the mobile future. Fastback Networks is a privately held company that was initially funded by nationally recognized technology investment funds before it was acquired during 2017 by Skyline Technology Partners, LLC, and the company's key employees.

Forward-Looking Statements
Certain statements in this press release that are not historical facts are forward-looking statements that reflect management's current expectations, assumptions, and estimates of future performance and economic conditions, and involve risks and uncertainties that could cause actual results to differ materially from those anticipated by the statements made herein. Forward-looking statements are generally identifiable by the use of forward-looking terminology such as "believe," "expects," "may," "looks to," "will," "should," "plan," "intend," "on condition," "target," "see," "potential," "estimates," "preliminary," or "anticipates" or the negative thereof or comparable terminology, or by discussion of strategy or goals or other future events, circumstances, or effects. Moreover, forward-looking statements in this release include, but are not limited to, the impact of the current COVID-19 pandemic, which may limit access to the Company's facilities, customers, management, support staff, and professional advisors, and to develop and deliver advanced voice and data communications systems. The Company's forward-looking statements could be affected by many factors, including, but not limited to, the Company's ability to integrate the operations of Fastback, demand for the Company's products and services, economic conditions in the U.S. and worldwide, and the Company's ability to recruit and retain management, technical, and sales personnel. Further information relating to factors that may impact the Company's results and forward-looking statements are disclosed in the Company's filings with the SEC. The forward-looking statements contained in this press release are made as of the date of this press release, and the Company disclaims any intention or obligation, other than imposed by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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