FORM 8-K

Current report filing

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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) **April 10, 2025**

zSpace, Inc.

(Exact name of registrant as specified in charter)

Delaware	**001-42431**	**35-2284050**
(State or other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(IRS Employer Identification No.)

55 Nicholson Lane **San Jose, California**	**95134**
(Address of Principal Executive Offices)	(zip code)

(408) 498-4050

(Registrant's telephone number, including area code)

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

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

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

☐ 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**
Common Stock, par value $0.00001 per share	ZSPC	The Nasdaq Stock Market LLC

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

Emerging growth company ☒

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

Item 1.01 Entry into a Material Definitive Agreement.

Senior Secured Convertible Note Financing

On April 10, 2025, zSpace, Inc., a Delaware corporation (the "Company"), entered into a securities purchase agreement (the "Securities Purchase Agreement") with an institutional investor (the "Investor"), pursuant to which the Company sold, and the Investor purchased, a senior secured convertible note issued by the Company (the "Note," and such financing, the "Convertible Note Financing") in the original principal amount of $13,978,495 (the "Principal Amount"), which is convertible into shares of the Company's common stock, par value $0.0001 per share ("Common Stock"). The Convertible Note Financing closed on April 11, 2025 (the "Closing Date").

The gross proceeds to the Company from the Convertible Note Financing, prior to the payment of legal fees and transaction expenses, was $13,000,000. Subject to the satisfaction of certain conditions contained in the Securities Purchase Agreement, the Company may issue an additional Note to the Investor in the principal amount of $7,526,882 (for additional gross proceeds of $7,000,000). The Company intends to use the net proceeds from the Convertible Note Financing to repay existing debt and for working capital and general corporate purposes.

The Securities Purchase Agreement contains customary representations, warranties, and covenants of the Company and the Investor.

Description of the Note

The Note was issued with an original issue discount of 7.0% and accrues interest at a rate of 6.0% per annum. The Note matures on April 11, 2027 (the "Maturity Date"), unless extended pursuant to the terms thereof. Interest on the Note is guaranteed through the Maturity Date regardless of whether the Note is earlier converted or redeemed. The Note is secured by a first priority security interest in substantially all the assets of the Company, including its intellectual property.

The Note is convertible (in whole or in part) at any time prior to the Maturity Date into the number of shares of Common Stock equal to (x) the sum of (i) the portion of the principal amount to be converted or redeemed, (ii) all accrued and unpaid interest with respect to such principal amount, and (iii) all accrued and unpaid late charges with respect to such principal and interest amounts, if any, divided by (y) a conversion price of $12.39 per share ("Initial Conversion Price") (such shares issuable upon conversion of the Note, the "Conversion Shares"). In addition, upon the effectiveness of the a registration statement covering the resale of the Conversion Shares and before the 90th day after the Closing Date, the Investor has the right to convert up to $750,000 (or a higher amount mutually agreed upon by the parties) principal per month, priced at 97% of the lowest volume-weighted average price of the Common Stock ("VWAP") in the 10 trading days prior to the conversion. Pursuant to the Securities Purchase Agreement, in certain cases, the Investor must limit the selling of Common Stock to the higher of (i) 15% of the daily trading volume or (ii) $100,000 per trading day. At no time may the Investor hold or be required to take more than 4.99% (or up to 9.99% at the election of the Investor pursuant to the Note) of the outstanding Common Stock.

The conversion price of the Note is subject to a floor price of $1.98.

In addition, if an Event of Default (as defined in the Note) has occurred under the Note, the Investor may elect to convert all or a portion of the Note into shares of Common Stock at a price equal to the lesser of (i) 80% of the VWAP of the shares of Common Stock as of the trading day immediately preceding the delivery or deemed delivery of an applicable Event of Default notice and (ii) 80% of the average VWAP of Common Stock for the five trading days with the lowest VWAP of the shares of Common Stock during the ten consecutive trading day period ending and including the trading day immediately preceding the delivery or deemed delivery of an applicable Event of Default notice.

Upon the occurrence of an Event of Default, the Company is required to deliver written notice to the Investor within one business day (an "Event of Default Notice"). At any time after the earlier of (a) the Investor's receipt of an Event of Default Notice, and (b) the Investor becoming aware of an Event of Default, the Investor may require the Company to redeem all or any portion of the Note at a 10% premium. Upon an Event of Default, the Note shall bear interest at a rate of 11.0% per annum.

Beginning 90 days after the Closing Date, and every month thereafter, the Company shall repay the Investor $665,642.62 towards the principal balance of the Note and any accrued and unpaid interest in cash or, provided certain conditions are satisfied, shares of Common Stock, at the Company's option (collectively, the "Installment Amount"). The Investor will also have the right to accelerate monthly repayment obligations by receiving shares of Common Stock. For any Installment Amount paid in the form of shares of Common Stock, the applicable conversion price will be equal to the lesser of (a) the Initial Conversion Price, and (b) 95% of the lowest VWAP in the ten trading days immediately prior to such conversion.

In connection with a "Change of Control" (as defined in the Note), the Investor shall have the right to require the Company to redeem all or any portion of the Note in cash at a price equal to 110% times the sum of (i) the portion of the principal amount to be converted or redeemed, (ii) all accrued and unpaid interest with respect to such principal amount, (iii) a "make-whole" amount to ensure that, if paid, the Investor will have received the guaranteed interest pursuant to the Note and (iv) all accrued and unpaid late charges with respect to the amounts described in (i), (ii) and (iii), if any.

Registration Rights Agreement

On the Closing Date, in connection with the Company's entry into the Securities Purchase Agreement, the Company also entered into a Registration Rights Agreement with the Investor (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company has agreed to file with the Securities and Exchange Commission (the "SEC"), within eight (8) business days following the date of the Registration Rights Agreement, a registration statement covering the resale of the Conversion Shares. Pursuant to the Registration Rights Agreement, the Company is required to use commercially reasonable efforts to have such registration statement declared effective by the SEC within the time period set forth tin the Registration Rights Agreement.

Voting Agreement

On the Closing Date, in connection with the Company's entry into the Securities Purchase Agreement, the Company also entered into a Voting Agreement among the Company, the Investor and certain stockholders ("Major Stockholders") of the Company (the "Voting Agreement"). Pursuant to the terms of the Voting Agreement, the Major Stockholders agree, until the termination of the Voting Agreement, not to sell, assign, transfer, pledge, encumber or otherwise dispose of any Common Stock held by such Major Stockholder and other similar restrictions against transfer and alienation, unless a proposed transferee agrees to be bound by the terms of the Voting Agreement. In addition, the Major Stockholders agree to vote, at any annual, special or adjourned meeting of the stockholders of the Company and in every consent in lieu of any such meeting, in favor of the transactions contemplated by the Securities Purchase Agreement and any matter that would reasonably be expected to facilitate such transactions.

Security Agreement and Intellectual Property Security Agreement

On the Closing Date, the Company entered into a security agreement (the "Security Agreement") and an intellectual property security agreement (the "Intellectual Property Security Agreement"), pursuant to which the Company granted to the Investor a security interest in all of the assets of the Company, including its intellectual property.

Repayment of Outstanding Loans

On the Closing Date, the Company fully repaid all outstanding principal and accrued interest under those certain Business Loan and Security Agreements (the "Loan and Security Agreements") with Itria Ventures LLC ("Itria"), including: (i) Business Loan and Security Agreement (Tranche 1), dated January 31, 2023, for $4,000,000, (ii) Business Loan and Security Agreement (Tranche 3), dated April 12, 2023 for $680,000, (iii) Business Loan and Security Agreement (Tranche 4), dated May 17, 2024, for $1,000,000 and (iv) Business Loan and Security Agreement (Tranches 5and 6), dated May 17, 2024, for an aggregate principal amount of $1,000,000, (v) Business Loan and Security Agreement (Tranche 7), dated June 4, 2024, for $1,500,000, and (vi) Business Loan and Security Agreement (Tranches 8 and 9), dated February 26, 2025, for an aggregate principal amount of $2,000,000. The repayments were made using proceeds from the Convertible Note Financing.

As a result of these repayments, all sums owed by Company to Itria under the Loan and Security Agreements have been satisfied in full and all commitments to extend credit lines under the Loan and Security Agreements are terminated.

Amendment of Existing Loan Agreements and Entering into the Intercreditor Agreement

On the Closing Date, in connection with the Convertible Note Financing, the Company entered into Amendment No. 4 (the "Fiza 1 Amendment") to that certain Loan and Security Agreement with Fiza Investments Limited ("Fiza") dated November 3, 2022 (the "Fiza 1 Agreement"). Pursuant to the Fiza 1 Amendment, the maturity date of the Fiza 1 Agreement is extended to December 31, 2027. The Fiza

1 Amendment also amends the repayment schedule such that, beginning on the latter to occur of December 31, 2027 or the date in which there is no debt outstanding under the Note (the "Convertible Note Repayment Date"), the Company will repay all remaining principal and interest under the Fiza 1 Agreement over twelve equal monthly installments.

On the Closing Date, also in connection with the Convertible Note Financing, the Company entered into Amendment No. 3 (the "Fiza 2 and 3 Amendment") to a Loan and Security Agreement dated July 11, 2024 with Fiza (the "Fiza 2 and 3 Agreement"). Pursuant to the Fiza 2 and 3 Amendment, the interest rate under the Fiza 2 and 3 Agreement is lowered from 25% to 20%. In addition, until the Convertible Note Repayment Date, the Company shall make monthly payments of interest only. The remaining principal and interest shall be amortized and repaid over 12 months beginning on the latter to occur of December 31, 2027 or the Convertible Note Repayment Date, the Company will repay all remaining principal and interest under the Fiza 1 Agreement over twelve monthly installments.

On the Closing Date, the Company, the Investor and Fiza entered into an intercreditor agreement (the "Intercreditor Agreement), pursuant to which, among other things, Fiza subordinated its security interest in the assets of the Company to the security interest of the Investor under the Security Agreement in the same assets and agreed to certain covenants limiting its ability to receive cash payments from the Company, including pursuant to the Fiza 1 Agreement and Fiza 2 and 3 Agreement.

The foregoing summaries of the terms of the various documents do not purport to be complete and are subject to, and qualified in their entirety by, the full text of such documents or forms of documents, which are attached as exhibits to this Current Report on Form 8-K and incorporated by reference herein.

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

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

Item 3.02 Unregistered Sales of Equity Securities

The information contained above in Item 1.01 of this Current Report on Form 8-K with respect to the issuance of the Note and the potential issuance of shares of Common Stock upon conversion thereof is hereby incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following documents are attached as exhibits to this Current Report on Form 8-K:

Exhibit No.	Exhibit Description
4.1	Form of Senior Secured Convertible Note, dated April 11, 2025 in the amount of $13,978,495.
10.1	Form of Securities Purchase Agreement, dated April 10, 2025.
10.2	Form of Registration Rights Agreement, dated April 11, 2025.
10.3	Form of Voting Agreement, dated April 11, 2025.
10.4	Form of Security Agreement, dated April 11, 2025.
10.5	Form of Intellectual Property Security Agreement, dated April 11, 2025.
10.6	Form of Intercreditor Agreement, dated April 11, 2025.

10.7	Amendment No. 4 to Loan and Security Agreement dated November 7, 2024, dated April 11, 2025, by and between the Company and Fiza Investments Limited
10.8	Amendment No. 3 to Loan and Security Agreement dated July 11, 2024, dated April 11, 2025, by and between the Company and Fiza Investments Limited
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

Date: April 11, 2025

zSpace, Inc.

By: /s/ Erick DeOliveira
Erick DeOliveira
Chief Financial Officer

Exhibit 4.1

NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS CONVERTIBLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (A) IN THE ABSENCE OF (I) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT, OR (II) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT, OR (B) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER THE SECURITIES 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. ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE, INCLUDING SECTION 3(c)(iii) AND SECTION 18(a) HEREOF. THE PRINCIPAL AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 3(c)(iii) OF THIS NOTE.

THIS NOTE HAS BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT. PURSUANT TO TREASURY REGULATION §1.1275-3(b)(1), A REPRESENTATIVE OF THE COMPANY, SHALL, BEGINNING NO LATER THAN TEN (10) DAYS AFTER THE ISSUANCE DATE OF THIS NOTE, PROMPTLY MAKE AVAILABLE TO THE HOLDERS UPON REQUEST THE INFORMATION DESCRIBED IN TREASURY REGULATION §1.1275-3(b)(1)(i).

ZSPACE, INC.

SENIOR SECURED CONVERTIBLE NOTE

Issuance Date: April 11, 2025 **Original Principal Amount**: $13,978,495

FOR VALUE RECEIVED, zSpace, Inc., a Delaware corporation (the "**Company**"), hereby promises to pay to the order of [•], or its registered assigns (the "**Holder**") the amount set forth above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to redemption, conversion or otherwise, the "**Principal**") and all interest accrued hereunder ("**Interest**") at the Interest Rate (as defined below) when due, whether upon the Maturity Date (as defined below), on any Installment Date (as defined below) with respect to the Installment Amount (as defined below) due on such Installment Date, or upon acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof) and, upon the occurrence of an Event of Default (as defined below), to pay Interest on any outstanding Principal at the Default Rate (as defined below), from the date set forth above as the Issuance Date (the "**Issuance Date**") until the same becomes due and payable, whether upon the Maturity Date, on any Installment Date with respect to the Installment Amount due on such Installment Date, or upon acceleration, conversion, redemption or otherwise (in each case in accordance with the terms hereof). This Senior Convertible Note (including all Senior Convertible Notes issued in exchange, transfer or replacement hereof, this "**Note**") is one of several Senior Convertible Notes issued pursuant to that certain Securities Purchase Agreement, dated (the "**Securities Purchase Agreement**"), as of April 10, 2025 (the "**Subscription Date**"), by and among the Company and the investors referred to therein, as amended from time to time (collectively, the "**Notes**," and such other Convertible Notes, the "**Other Notes**"). This Note is secured to the extent and in the manner set forth in the Transaction Documents (including, without limitation, the Security Agreement). Certain capitalized terms used herein are defined in Section 31 and capitalized terms not otherwise defined herein shall have the meanings set forth in the Securities Purchase Agreement.

1. PAYMENT OF PRINCIPAL. On the Maturity Date, the Company shall pay to the Holder an amount in cash representing all outstanding Principal, accrued and unpaid Interest (including Default Interest, if applicable), accrued and unpaid Late Charges on such Principal and Interest and the Make-Whole Amount. Other than as specifically permitted by this Note, the Company may not prepay any portion of the outstanding Principal, accrued and unpaid Interest, accrued and unpaid Late Charges on Principal and Interest, if any, or Make-Whole Amount.

2. INTEREST; INTEREST RATE.

(a) This Note was issued with a seven percent (7%) original issue discount as described in the Securities Purchase Agreement. This Note shall bear interest at the rate of six percent (6.0%) per annum (the "**Interest Rate**") except upon the occurrence (and during the continuance) of an Event of Default, in which case this Note shall bear interest at a rate of eleven percent (11%) per annum (the "**Default Rate**" and all such Interest accrued at the Default Rate, the "**Default Interest**") of the then-outstanding Principal. In the event that such Event of Default is subsequently cured or waived in accordance with the terms of this Note (and no other Event of Default then exists (including, without limitation, as a result of the Company's failure to pay Interest at the Default Rate on the applicable Interest Date in connection with such Event of Default)), Interest hereunder at the Default Rate shall cease to accrue as of the calendar day immediately following the date on which such Event of Default is cured or waived (and shall instead revert to the Interest Rate); provided that the Interest as calculated and unpaid during the continuance of such Event of Default shall continue to apply to the extent relating to the days after the occurrence of such Event of Default through and including the date of such cure or waiver of such Event of Default.

(b) Interest on this Note shall commence accruing on the Issuance Date. Interest shall be computed on the basis of a 360-day year and twelve 30-day months. Interest shall be due and payable upon the entire Original Principal Amount through and including the Maturity Date (including any extensions thereof).

3. CONVERSION OF NOTES. This Note shall be convertible into shares of Common Stock on the terms and subject to the conditions set forth in this Section 3.

(a) Conversion Right. Subject to the provisions of Section 3(d), at any time or times on or after the Issuance Date, the Holder shall be entitled to convert all or any portion of the outstanding and unpaid Conversion Amount (as defined below) into validly issued, fully paid, and non-assessable shares of Common Stock in accordance with Section 3(c), at the Conversion Rate (as defined below). The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent (as defined below)) that may be payable with respect to the issuance and delivery of shares of Common Stock upon conversion of any Conversion Amount. The number of shares of Common Stock issuable upon conversion of any Conversion Amount pursuant to Section 3(a) shall be determined by dividing (x) such Conversion Amount by (y) the Conversion Price (the "**Conversion Rate**"). "**Conversion Amount**" means the sum of (x) the portion of the Principal to be converted, redeemed or otherwise with respect to which this determination is being made, (y) the Make-Whole Amount, if any (and without duplication of the Interest set forth in subsection (z) of this provision) and (z) all accrued and unpaid Interest with respect to such portion of such Principal, and accrued and unpaid Late Charges with respect to such portion of such Principal and such Make-Whole Amount and Interest, if any. "**Conversion Price**" means, as of any Conversion Date (as defined below) or other date of determination, $12.39, subject to adjustment as provided herein.

(b) Alternative Conversion. Subject to the provisions of Section 3(d), at any time or times on or after the effective date of the Initial Registration Statement (as defined in the Registration Rights Agreement) and prior to the Initial Installment Date, the Holder shall be entitled to convert all or any portion of the outstanding and unpaid Conversion Amount not exceeding $750,000 (or a higher amount as mutually agreed upon by the Holder and the Company) per calendar month into validly issued, fully paid, and non-assessable shares of Common Stock in accordance with Section 3(c), at the Alternative Conversion Rate (as defined below). The Company shall not issue any fraction of a share of Common Stock upon any conversion. If the issuance would result in the issuance of a fraction of a share of Common Stock, the Company shall round such fraction of a share of Common Stock up to the nearest whole share. The Company shall pay any and all transfer, stamp, issuance and similar taxes, costs and expenses (including, without limitation, fees and expenses of the Transfer Agent (as defined below)) that may be payable with respect to the issuance and delivery of shares of Common Stock upon conversion of any Conversion Amount. The number of shares of Common Stock issuable upon conversion of any Conversion Amount pursuant to this Section 3(b) shall be determined by dividing (x) such Conversion Amount by (y) the Alternative Conversion Price (the "**Alternative Conversion Rate**"). "**Alternative Conversion Price**" means 97% of the lowest VWAP of the shares of Common Stock during the ten (10) consecutive Trading Day period ending and including the Trading Day immediately prior to the Conversion Date (as defined below), all such determinations to be appropriately adjusted for any share split, share dividend, share combination or other similar transaction during any such measuring period.

(c) Mechanics of Conversion.

(i) Conversion Notice. To convert any Conversion Amount into shares of Common Stock on any date (a "**Conversion Date**"), the Holder shall deliver (whether via electronic mail or otherwise), for receipt on or prior to 11:59 p.m., New York time, on such date, a copy of an executed conversion notice in the form attached hereto as Exhibit I (the "**Conversion Notice**") to the Company. If required by Section 3(c)(iii), within two (2) Trading Days following a conversion of this Note, the Holder shall surrender this Note to a nationally recognized overnight delivery service for delivery to the Company (or an indemnification undertaking with respect to this Note in the case of its loss, theft or destruction as contemplated by Section 18(b)). On or before the first (1st) Trading Day following the date of receipt of a Conversion Notice, the Company shall transmit via electronic mail an acknowledgment of receipt of such Conversion Notice to the Holder and the Company's transfer agent (the "**Transfer Agent**"), and instruct the Transfer Agent to process such Conversion Notice in accordance with the terms herein and provide confirmation as to whether such shares of Common Stock may then be resold pursuant to Rule 144 under the Securities Act ("**Rule 144**") or an effective registration statement. On or before the second (2nd) Trading Day following the date on which the Company has received a Conversion Notice (or such earlier date as required pursuant to the Exchange Act or other applicable law, rule or regulation for the settlement of a trade initiated on the applicable Conversion Date of such shares of Common Stock issuable pursuant to such Conversion Notice) (the "**Share Delivery Deadline**"), the Company shall (I) if the Transfer Agent is participating in The Depository Trust Company's ("**DTC**") Fast Automated Securities Transfer Program ("**FAST**"), credit such aggregate number of shares of Common Stock to which the Holder shall be entitled pursuant to such conversion to the Holder's (or its designee's) account with DTC through its Deposit/Withdrawal at Custodian system, or (II) if the Transfer Agent is not participating in FAST, upon the request of the Holder, issue and deliver (via nationally recognized overnight delivery service) to the address as specified in the Conversion Notice, a certificate, registered in the name of the Holder (or its designee), evidencing the number of shares of Common Stock to which the Holder shall be entitled pursuant to such conversion. If this Note is physically surrendered for conversion pursuant to Section 3(c)(iii) and the outstanding Principal is greater than the Principal portion of the Conversion Amount being converted, then the Company shall, as soon as practicable, and in no event later than two (2) Business Days after receipt of this Note and at its own expense, issue and deliver to the Holder (or its designee) a new Note (in accordance with Section 18(d)) representing the outstanding Principal not converted. The Person or Persons entitled to receive the shares of Common Stock issuable upon conversion of this Note shall be treated for all purposes as the record holder or holders of such shares of Common Stock on the Conversion Date. Notwithstanding anything to the contrary contained in this Note or the Registration Rights Agreement (as defined in the Securities Purchase Agreement), within five (5) days after the effective date of the Registration Statement (as defined in the Registration Rights Agreement), the Company shall cause the Transfer Agent to deliver unlegended shares of Common Stock to the Holder (or its designee) in connection with any sale of Registrable Securities (as defined in the Registration Rights Agreement) with respect to which the Holder has entered into a contract for sale, and delivered a copy of the prospectus included as part of the particular Registration Statement to the extent applicable, and for which the Holder has not yet settled.

(ii) Company's Failure to Timely Convert. If the Company shall fail, for any reason or for no reason, on or prior to the applicable Share Delivery Deadline, either (I)(1) if the Transfer Agent is not participating in FAST, to issue and deliver to the Holder (or its designee) a certificate for the number of shares of Common Stock to which the Holder is entitled and register such shares of Common Stock on the Company's share register or, (2) if the Transfer Agent is participating in FAST, to credit the account of the Holder (or its designee) with DTC for such number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion of this Note, as the case may be, or (II) if the Registration Statement covering the resale of the shares of Common Stock that are the subject of the Conversion Notice (the "**Unavailable Conversion Shares**") is not available for the resale of such Unavailable Conversion Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement (x) so notify the Holder and (y) deliver the shares of Common Stock electronically without any restrictive legend by crediting such aggregate number of shares of Common Stock to which the Holder is entitled pursuant to such conversion to the Holder's (or its designee's) account with DTC through its Deposit/Withdrawal At Custodian system (the event described in the immediately foregoing clause (II) is hereinafter referred to as a "**Notice Failure**" and together with the event described in clause (I) above, a "**Conversion Failure**"), then, in addition to all other remedies available to the Holder, (1) the Company shall pay in cash to the Holder on each day after such Share Delivery Deadline that the issuance of such shares of Common Stock is not timely effected an amount equal to 0.05% of the product of (x) the sum of the number of shares of Common Stock not issued to the Holder on or prior to the Share Delivery Deadline and to which the Holder is entitled, multiplied by (y) any trading price of the shares of Common Stock selected by the Holder in writing as in effect at any time during the period beginning on the applicable Conversion Date and ending on the applicable Share Delivery Deadline, and (2) the Holder, upon written notice to the Company, may void its Conversion Notice with respect to, and retain

or have returned (as the case may be) any portion of this Note that has not been converted pursuant to such Conversion Notice, provided that the voiding of a Conversion Notice shall not affect the Company's obligations to make any payments which have accrued prior to the date of such notice pursuant to this Section 3(c)(ii) or otherwise. In addition to the foregoing, if on or prior to the Share Delivery Deadline either (A)(1) if the Transfer Agent is not participating in FAST, the Company shall fail to issue and deliver to the Holder (or its designee) a certificate and register such shares of Common Stock on the Company's share register or, (2) if the Transfer Agent is participating in FAST, the Transfer Agent shall fail to credit the account of the Holder (or its designee) with DTC for the number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion hereunder or pursuant to the Company's obligation pursuant to clause (II) below, or (B) a Notice Failure occurs, and if on or after such Share Delivery Deadline the Holder purchases (in an open market transaction or otherwise) shares of Common Stock corresponding to all or any portion of the number of shares of Common Stock issuable upon such conversion that the Holder is entitled to receive from the Company and has not received from the Company in connection with, or as a result of, such Conversion Failure or Notice Failure, as applicable (a "**Buy-In**"), then, in addition to all other remedies available to the Holder, the Company shall, within two (2) Business Days after receipt of the Holder's request and in the Holder's sole discretion, either: (I) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including, without limitation, by any other Person in respect, or on behalf, of the Holder) (the "**Buy-In Price**"), at which point the Company's obligation to so issue and deliver such certificate (and to issue such shares of Common Stock), or credit the account of such Holder (or its designee) with DTC for the number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) (and to issue such shares of Common Stock) shall terminate, or (II) promptly honor its obligation to so issue and deliver to the Holder a certificate representing such shares of Common Stock or credit the account of such Holder (or its designee) with DTC for the number of shares of Common Stock to which the Holder is entitled upon the Holder's conversion hereunder (as the case may be) and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (x) such number of shares of Common Stock multiplied by (y) the lowest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date of the applicable Conversion Notice and ending on the date of such issuance and payment under this clause (II) (the "**Buy-In Payment Amount**"). Nothing in this Section 3(c)(ii) shall limit the Holder's right to pursue any other remedies available to it hereunder, whether 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 a certificate representing shares of Common Stock, or to electronically deliver such shares of Common Stock, upon the conversion of this Note as required pursuant to the terms hereof.

(iii) Registration; Book-Entry. The Company shall maintain a register (the "**Register**") for the recordation of the names and addresses of the holders of each Note and the principal amount of the Notes held by such holders (the "**Registered Notes**"). The entries in the Register shall be conclusive and binding for all purposes absent manifest error. The Company and the holders of the Notes shall treat each Person whose name is recorded in the Register as the owner of a Note for all purposes (including, without limitation, the right to receive payments of Principal, Make-Whole Amount and Interest hereunder) notwithstanding notice to the contrary. A Registered Note may be assigned, transferred or sold in whole or in part only by registration of such assignment or sale on the Register. Upon its receipt of a written request to assign, transfer or sell all or part of any Registered Note by the holder thereof, the Company shall record the information contained therein in the Register and issue one or more new Registered Notes in the same aggregate principal amount as the principal amount of the surrendered Registered Note to the designated assignee or transferee pursuant to Section 18, provided that if the Company does not so record an assignment, transfer or sale (as the case may be) of all or part of any Registered Note within two (2) Business Days of such a request, then the Register shall be automatically deemed updated to reflect such assignment, transfer or sale (as the case may be). Notwithstanding anything to the contrary set forth in this Section 3, following conversion of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Conversion Amount represented by this Note is being converted (in which event this Note shall be delivered to the Company following conversion thereof as contemplated by Section 3(c)(i)), or (B) the Holder has provided the Company with prior written notice (which notice may be included in a Conversion Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records confirming the Principal, Make-Whole Amount, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions, and/or payments (as the case may be) or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon conversion. If the Company does not update the Register to record such Principal, Make-Whole Amount, Interest and Late Charges converted and/or paid (as the case may be) and the dates of such conversions,

and/or payments (as the case may be) within two (2) Business Days of such occurrence, then the Register shall be automatically deemed updated to reflect such occurrence.

(iv) Pro Rata Conversion; Disputes. In the event that the Company receives a Conversion Notice from more than one holder of Notes for the same Conversion Date and the Company can convert some, but not all, of such portions of the Notes submitted for conversion, the Company, subject to Section 3(d), shall convert from each holder of Notes electing to have Notes converted on such date a pro rata amount of such holder's portion of its Notes submitted for conversion based on the principal amount of Notes submitted for conversion on such date by such holder relative to the aggregate principal amount of all Notes submitted for conversion on such date. In the event of a dispute as to the number of shares of Common Stock issuable to the Holder in connection with a conversion of this Note, the Company shall issue to the Holder the number of shares of Common Stock not in dispute and resolve such dispute in accordance with Section 23.

(d) Limitations on Conversions (Maximum Percentage). The Company shall not effect the conversion of any portion of this Note, and the Holder shall not have the right to convert any portion of this Note pursuant to the terms and conditions of this Note and any such conversion shall be null and void and treated as if never made, to the extent that after giving effect to such conversion, the Holder together with the other Attribution Parties collectively would beneficially own in excess of 4.99% (the "**Maximum Percentage**") of the shares of Common Stock outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the aggregate number of shares of Common Stock beneficially owned by the Holder and the other Attribution Parties shall include the number of shares of Common Stock held by the Holder and all other Attribution Parties plus the number of shares of Common Stock issuable upon conversion of this Note with respect to which the determination of such sentence is being made, but shall exclude shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted portion of this Note beneficially owned by the Holder or any of the other Attribution Parties and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any convertible notes, convertible preferred stock or warrants) beneficially owned by the Holder or any other Attribution Party subject to a limitation on conversion or exercise analogous to the limitation contained in this Section 3(d). For purposes of this Section 3(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. For purposes of determining the number of outstanding shares of Common Stock the Holder may acquire upon the conversion of this Note without exceeding the Maximum Percentage, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Annual Report on Form 10-K or Quarterly Report on Form 10-Q, Current Report on Form 8-K, or other public filing with the SEC, as the case may be, (y) a more recent public announcement by the Company, or (z) any other more recent written notice by the Company or the Transfer Agent, if any, setting forth the number of shares of Common Stock outstanding (the "**Reported Outstanding Share Number**"). If the Company receives a Conversion Notice from the Holder at a time when the actual number of outstanding shares of Common Stock is less than the Reported Outstanding Share Number, the Company shall notify the Holder in writing of the number of shares of Common Stock then outstanding and, to the extent that such Conversion Notice would otherwise cause the Holder's beneficial ownership, as determined pursuant to this Section 3(d), to exceed the Maximum Percentage, the Holder must notify the Company of a reduced number of shares Common Stock to be purchased pursuant to such Conversion Notice. For any reason at any time, upon the written request of the Holder, the Company shall, within one (1) Business Day of such request, via electronic mail to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder and any other Attribution Party since the date as of which the Reported Outstanding Share Number was reported. In the event that the issuance of shares of Common Stock to the Holder upon conversion of this Note results in the Holder and the other Attribution Parties being deemed to beneficially own, in the aggregate, more than the Maximum Percentage of the number of outstanding shares of Common Stock (as determined under Section 13(d) of the Exchange Act), the number of shares so issued by which the Holder's and the other Attribution Parties' aggregate beneficial ownership exceeds the Maximum Percentage (the "**Excess Shares**") shall be deemed null and void and shall be cancelled ab initio, and the Holder shall not have the power to vote or transfer the Excess Shares. Upon delivery of a written notice to the Company, the Holder may from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% as specified in such notice; provided that (i) any such increase in the Maximum Percentage shall not be effective until the sixty-first (61^{st}) day after such notice is delivered to the Company and (ii) any such increase or decrease shall apply only to the Holder and the other Attribution Parties and not to any other holder of Notes that is not an Attribution Party of the Holder. For purposes of clarity, the shares of Common Stock issuable pursuant to the terms of this Note in excess of the Maximum Percentage shall not be deemed to be beneficially owned by the Holder for any purpose including for purposes of Section 13(d) or Rule 16a-1(a)(1) of the Exchange Act. No prior inability to convert this Note pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this

Section 3(d) to the extent necessary to correct this paragraph (or any portion of this paragraph) which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 3(d) or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitation contained in this paragraph may not be waived and shall apply to a successor holder of this Note.

(e) Limitation on Conversions (Exchange Rules). The Company shall not issue any shares of Common Stock upon the conversion of any portion of this Note if the issuance of such shares of Common Stock (and the conversion of the Other Notes or otherwise pursuant to the terms of the Notes) would exceed the aggregate number of shares of Common Stock which the Company may issue upon conversion of the Notes or otherwise pursuant to the terms of the Note and without breaching the Company's obligations under the rules or regulations of the Principal Market, except that such limitation shall not apply in the event that the Company (A) obtains Stockholder Approval (as defined in the Securities Purchase Agreement) as required by the applicable rules of the Principal Market for issuances of shares of Common Stock in excess of such amount or (B) obtains a written opinion from outside counsel to the Company that such approval is not required, which opinion shall be reasonably satisfactory to the Holder.

4. RIGHTS UPON EVENT OF DEFAULT.

(a) Event of Default. Each of the following events shall constitute an "**Event of Default**" and each of the events in clauses (vii), (viii) and (ix) shall constitute a "**Bankruptcy Event of Default**":

(i) the suspension from trading or the failure of the shares of Common Stock to be listed for trading on an Eligible Market for a period of five (5) consecutive Trading Days;

(ii) the Company's (A) failure to cure a Conversion Failure by delivery of the required number of shares of Common Stock within five (5) Trading Days after the applicable Conversion Date or exercise date (as the case may be) or (B) notice, written or oral, to any holder of the Notes, including, without limitation, by way of public announcement or through any of its agents, at any time, of its intention not to comply, as required, with a request for conversion of any Notes into shares of Common Stock that is requested in accordance with the provisions of the Notes, other than pursuant to Section 3(d);

(iii) except to the extent the Company is in compliance with Section 10(b) below, at any time following the fifteenth (15^{th}) consecutive day that the Holder's Authorized Share Allocation (as defined in Section 10(a) below) is less than the sum of the number of shares of Common Stock that the Holder would be entitled to receive upon a conversion of the full Conversion Amount of this Note (without regard to any limitations on conversion set forth in Section 3(d) or otherwise);

(iv) the Company's or any Subsidiary's failure to pay to the Holder any amount of Principal, Make-Whole Amount, Interest, Late Charges or other amounts when and as due under this Note (including, without limitation, the Company's or any Subsidiary's failure to pay any redemption payments or amounts hereunder) or any other Transaction Document (as defined in the Securities Purchase Agreement) or any other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby and thereby, except, in the case of a failure to pay the Make-Whole Amount, Interest and Late Charges when and as due, in which case only if such failure remains uncured for a period of at least ten (10) Trading Days;

(v) the Company fails to remove any restrictive legend on any certificate, or any shares of Common Stock issued to the Holder upon conversion of any Notes acquired by the Holder under the Securities Purchase Agreement as and when required by such Notes or the Securities Purchase Agreement, and any such failure remains uncured for at least ten (10) days;

(vi) the occurrence of any default under, redemption of or acceleration prior to maturity of at least an aggregate of $500,000 of Indebtedness of the Company or any of its Subsidiaries, other than with respect to any Other Notes;

(vii) bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Company or any Subsidiary and, if instituted against the Company or any Subsidiary by a third party, shall not be dismissed within forty-five (45) days of their initiation;

(viii) the commencement by the Company or any Subsidiary of a voluntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree, order, judgment or other similar document in respect of the Company or any Subsidiary in an involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal, state or foreign law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the execution of a composition of debts, or the occurrence of any other similar federal, state or foreign proceeding, or the admission by it in writing of its inability to pay its debts generally as they become due, the taking of corporate action by the Company or any Subsidiary in furtherance of any such action or the taking of any action by any Person to commence a Uniform Commercial Code foreclosure sale or any other similar action under federal, state or foreign law;

(ix) the entry by a court of (A) a decree, order, judgment or other similar document in respect of the Company or any Subsidiary of a voluntary or involuntary case or proceeding under any applicable federal, state or foreign bankruptcy, insolvency, reorganization or other similar law, (B) a decree, order, judgment or other similar document adjudging the Company or any Subsidiary as bankrupt or insolvent, or approving as properly filed a petition seeking liquidation, reorganization, arrangement, adjustment or composition of or in respect of the Company or any Subsidiary under any applicable federal, state or foreign law, or (C) a decree, order, judgment or other similar document appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or any Subsidiary or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree, order, judgment or other similar document or any such other decree, order, judgment or other similar document unstayed and in effect for a forty-five (45) consecutive days;

(x) a final judgment or judgments for the payment of money aggregating in excess of $500,000 are rendered against the Company and/or any of its Subsidiaries and which judgments are not, within forty-five (45) days after the entry thereof, bonded, discharged, settled or stayed pending appeal, or are not discharged within forty-five (45) days after the expiration of such stay;

(xi) the Company and/or any Subsidiary, individually or in the aggregate, either (i) fails to pay, when due, or within any applicable grace period, any payment with respect to any Indebtedness in excess of $500,000 due to any third party or is otherwise in breach or violation of any agreement for monies owed or owing in an amount in excess of 500,000, which breach or violation permits the other party thereto to declare a default or otherwise accelerate amounts due thereunder, or (ii) suffer to exist any other circumstance or event that would, with or without the passage of time or the giving of notice, result in a default or event of default under any agreement binding the Company or any Subsidiary, which default or event of default would or is likely to have a material adverse effect on the business, assets, operations (including results thereof), liabilities, properties, condition (including financial condition) or prospects of the Company or any of its Subsidiaries, individually or in the aggregate;

(xii) the failure of the applicable Registration Statement to be filed with the SEC on or prior to the date that is five (5) Trading Days after the applicable Filing Deadline (as defined in the Registration Rights Agreement) or the failure of the applicable Registration Statement to be declared effective by the SEC on or prior to the date that is five (5) Trading Days after the Effectiveness Deadline (as defined in the Registration Rights Agreement);

(xiii) other than as specifically set forth in another clause of this Section 4(a), the Company or any Subsidiary breaches any representation or warranty, or any covenant or other term or condition of any Transaction Document, subject to any applicable grace period set forth therein where any such breach would result in a Material Adverse Effect;

(xiv) (xiv) a false or inaccurate representation or certification by the Company as to whether any Event of Default has occurred;

(xv) any breach by the Company or any Subsidiary of, or failure to comply with, any provision of Section 13 of this Note;

(xvi) any Material Adverse Effect (as defined in the Securities Purchase Agreement) occurs;

(xvii) any provision of any Transaction Document shall at any time for any reason (other than pursuant to the express terms thereof) cease to be valid and binding on or enforceable against the parties thereto, or the validity or enforceability thereof shall be contested by any party thereto, or a proceeding shall be commenced by the Company or any Subsidiary or any governmental authority having jurisdiction over any of them, seeking to establish the invalidity or unenforceability thereof, or the Company or any Subsidiary shall deny in writing that it has any liability or obligation purported to be created under any Transaction Document; or

(xviii) any Event of Default (as defined in the Other Notes) occurs with respect to any Other Notes.

(b) Event of Default Notice; Redemption or Conversion Upon Event of Default. Upon the occurrence of an Event of Default with respect to this Note (or any Other Note), the Company shall, within one (1) Business Day deliver written notice thereof via electronic mail and overnight courier to the Holder (an "**Event of Default Notice**"). At any time after the earlier of the Holder's receipt of an Event of Default Notice and the Holder becoming aware of an Event of Default until the end of the five (5) Trading Day period after such time as such Event of Default is subsequently cured or waived in accordance with the terms of this Note (and no other Event of Default then exists) the Holder may (i) either require the Company to redeem all or any portion of this Note by delivering written notice thereof (the "**Event of Default Redemption Notice**") to the Company, which Event of Default Redemption Notice shall indicate the portion of this Note the Holder is electing to redeem, (ii) or convert all or any portion of this Note by delivering a Conversion Notice to the Company pursuant to the procedure set forth in Section 3(c)(i), at a price equal to the Event of Default Conversion Price. Each portion of this Note subject to redemption or conversion by the Company pursuant to this Section 4(b) shall be redeemed or converted by the Company at a price equal to the greater of (i) the product of (A) the Conversion Amount to be redeemed multiplied by (B) the Redemption Premium and (ii) the product of (X) the quotient of (a) the Conversion Amount to be redeemed divided by (b) the Event of Default Conversion Price multiplied by (Y) the product of (1) the Redemption Premium multiplied by (2) the greatest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date immediately preceding such Event of Default and ending on the date the Company makes the entire payment required to be made under this Section 4(b) (the "**Event of Default Redemption Price**"). "**Event of Default Conversion Price**" means, with respect to any Event of Default, that price which shall be the lowest of (i) the applicable Conversion Price in effect on the date of Event of Default, and (ii) the lesser of (A) eighty percent (80%) of the VWAP of the shares of Common Stock as of the Trading Day immediately preceding the delivery or deemed delivery of the applicable Event of Default Redemption Notice, and (B) eighty percent (80%) of the price computed as the quotient of (I) the sum of the VWAP of the shares of Common Stock for each of the five (5) Trading Days with the lowest VWAP of the shares of Common Stock during the ten (10) consecutive Trading Day period ending and including the Trading Day immediately preceding the delivery or deemed delivery of the applicable Event of Default Redemption Notice, divided by (II) five (5) (the "**Event of Default Measuring Period**"). All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the shares of Common Stock during such Event of Default Measuring Period. Redemptions required by this Section 4(b) shall be made in accordance with the provisions of Section 11. Conversions required to be made by this Section 4(b) shall be made in accordance with the provisions of Section 3. To the extent redemptions required by this Section 4(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 4(b), but subject to the beneficial ownership limitation in Section 3(d), until the Event of Default Redemption Price (together with any Late Charges thereon and Make-Whole Amount) is paid in full, the Conversion Amount submitted for redemption under this Section 4(b) (together with any Late Charges thereon and Make-Whole Amount) may be converted, in whole or in part, by the Holder into shares of Common Stock pursuant to the terms of this Note. In the event of the Company's redemption of any portion of this Note under this Section 4(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 4(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its

investment opportunity and not as a penalty. Any redemption of this Note upon an Event of Default shall not constitute an election of remedies by the Holder, and all other rights and remedies of the Holder shall be preserved.

(c) Mandatory Redemption Upon Bankruptcy Event of Default. Notwithstanding anything to the contrary herein, and notwithstanding any conversion that is then required or in process, upon any Bankruptcy Event of Default, whether occurring prior to or following the Maturity Date, the Company shall immediately pay to the Holder an amount in cash representing (i) all outstanding Principal, accrued and unpaid Interest (including Default Interest, as applicable), Make-Whole Amount and accrued and unpaid Late Charges on such Principal, Make-Whole Amount and Interest, multiplied by (ii) the Redemption Premium, in addition to any and all other amounts due hereunder, without the requirement for any notice or demand or other action by the Holder or any other person or entity, provided that the Holder may, in its sole discretion, waive such right to receive payment upon a Bankruptcy Event of Default, in whole or in part, and any such waiver shall not affect any other rights of the Holder hereunder, including any other rights in respect of such Bankruptcy Event of Default, any right to conversion, and any right to payment of the Event of Default Redemption Price or any other Redemption Price, as applicable.

5. RIGHTS UPON FUNDAMENTAL TRANSACTION.

(a) Assumption. The Company shall not enter into or be party to a Fundamental Transaction unless (i) the Successor Entity assumes in writing all of the obligations of the Company under this Note and the other Transaction Documents in accordance with the provisions of this Section 5(a) pursuant to written agreements in form and substance satisfactory to the Holder and approved by the Holder prior to such Fundamental Transaction, including agreements to deliver to each Holder, in exchange for such Notes, a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to the Notes, including, without limitation, having a principal amount and interest rate equal to the Principal then outstanding and the Interest Rate of the Notes held by the Holder, having similar conversion rights as the Notes and having similar ranking and security to the Notes, and satisfactory to the Holder, and (ii) the Successor Entity (or its Parent Entity, as applicable) is a publicly traded corporation whose shares of common stock is quoted on or listed for trading on an Eligible Market. Upon the occurrence of any 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. Upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to the Holder confirmation that there shall be issued upon conversion or redemption of this Note at any time after the consummation of such Fundamental Transaction, in lieu of the shares of Common Stock (or other securities, cash, assets or other property (except for such items issuable under Sections 6 and 15, which shall continue to be receivable thereafter)) issuable upon the conversion or redemption of the Notes prior to such Fundamental Transaction, such shares of the publicly traded shares of common stock (or their equivalent) of the Successor Entity (or its Parent Entity, as applicable) which the Holder would have been entitled to receive upon the happening of such Fundamental Transaction had this Note been converted immediately prior to such Fundamental Transaction (without regard to any limitations on the conversion of this Note), as adjusted in accordance with the provisions of this Note. Notwithstanding the foregoing, the Holder may elect, at its sole option, by delivery of written notice to the Company to waive this Section 5(a) to permit the Fundamental Transaction without the assumption of this Note. The provisions of this Section 5 shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations on the conversion of this Note.

(b) Notice of a Change of Control; Redemption Right. No later than ten (10) Trading Days prior to the consummation of a Change of Control (the "**Change of Control Date**"), but not prior to the public announcement of such Change of Control, the Company shall deliver written notice thereof via electronic mail and overnight courier to the Holder (a "**Change of Control Notice**"). At any time during the period beginning after the Holder's receipt of a Change of Control Notice or the Holder becoming aware of a Change of Control if a Change of Control Notice is not delivered to the Holder in accordance with the immediately preceding sentence (as applicable) and ending ten (10) Trading Days after the later of (A) the date of consummation of such Change of Control, (B) the date of receipt of such Change of Control Notice or (C) the date of the announcement of such Change of Control, the Holder may require the Company to redeem all or any portion of this Note by delivering written notice thereof ("**Change of Control Redemption Notice**") to the Company, which Change of Control Redemption Notice shall indicate the Conversion Amount the Holder is electing to redeem. The portion of this Note subject to redemption pursuant to this Section 5 shall be redeemed by the Company in cash at a price equal to the product of (x) the Change of Control Redemption Premium multiplied by (y) the Conversion Amount being redeemed (the "**Change of Control Redemption Price**"). Redemptions required by this Section 5 shall be made in accordance with the provisions of Section 11

and shall have priority to payments to stockholders in connection with such Change of Control. To the extent redemptions required by this Section 5(b) are deemed or determined by a court of competent jurisdiction to be prepayments of this Note by the Company, such redemptions shall be deemed to be voluntary prepayments. Notwithstanding anything to the contrary in this Section 5, but subject to Section 3(d), until the Change of Control Redemption Price (together with any Late Charges thereon and Make-Whole Amount) is paid in full, the Conversion Amount submitted for redemption under this Section 5(b) (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into shares of Common Stock pursuant to Section 3. In the event of the Company's redemption of any portion of this Note under this Section 5(b), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 5(b) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty.

6. RIGHTS UPON ISSUANCE OF PURCHASE RIGHTS AND OTHER CORPORATE EVENTS.

(a) Purchase Rights. In addition to any adjustments pursuant to Section 7 below, if at any time the Company grants, issues, or sells any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property pro rata to all or substantially all of the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then the Holder shall 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 taking into account any limitations or restrictions on the convertibility of this Note (pursuant to Section 3(d) or otherwise)) immediately prior to 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, that to the extent the Holder's right to participate in any such Purchase Right would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, the Holder shall not be entitled to participate in such Purchase Right to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Purchase Right (and beneficial ownership) to the extent of any such excess) and such Purchase Right to such extent shall be held in abeyance (and, if such Purchase Right has an expiration date, maturity date or other similar provision, such term shall be extended by such number of days held in abeyance, if applicable) for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such right (and any Purchase Right granted, issued or sold on such initial Purchase Right or on any subsequent Purchase Right held similarly in abeyance (and, if such Purchase Right has an expiration date, maturity date or other similar provision, such term shall be extended by such number of days held in abeyance, if applicable)) to the same extent as if there had been no such limitation.

(b) Other Corporate Events. In addition to, and not in substitution for, any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that the Holder shall thereafter have the right to receive, upon a conversion of this Note, at the Holder's option (i) in addition to the shares of Common Stock receivable upon such conversion, such securities or other assets to which the Holder would have been entitled with respect to such shares of Common Stock had such shares of Common Stock been held by the Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the convertibility of this Note pursuant to Section 3(d) or otherwise), or (ii) in lieu of the shares of Common Stock otherwise receivable upon such conversion, such securities or other assets received by the holders of shares of Common Stock in connection with the consummation of such Corporate Event in such amounts as the Holder would have been entitled to receive had this Note initially been issued with conversion rights for the form of such consideration (as opposed to shares of Common Stock) at a conversion rate for such consideration commensurate with the Conversion Rate. Provision made pursuant to the preceding sentence shall be in a form and substance satisfactory to the Holder. The provisions of this Section 6 shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the conversion or redemption of this Note.

7. RIGHTS UPON ISSUANCE OF OTHER SECURITIES.

(a) Record Date. If the Company takes a record of the holders of shares of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in shares of Common Stock, Options or Convertible Securities, or (B) to subscribe for or purchase shares of Common Stock, preferred stock of the Company, Options, or Convertible Securities, then such record date shall be deemed to be the date of the issuance or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration

of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

(b) Adjustment of Conversion Price upon Subdivision or Combination of Common Stock. Without limiting any provision of Section 6, Section 7(a) or Section 15, if the Company at any time on or after the Subscription Date subdivides (by any stock split, stock dividend, stock combination, recapitalization or other similar transaction) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price in effect immediately prior to such subdivision shall be proportionately reduced. Without limiting any provision of Section 6, Section 7(a) or Section 15, if the Company at any time on or after the Subscription Date combines (by any stock split, stock dividend, stock combination, recapitalization or other similar transaction) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior to such combination shall be proportionately increased. Any adjustment pursuant to this Section 7(b) shall become effective immediately after the effective date of such stock split, stock dividend, stock combination or similar transaction. If any event requiring an adjustment under this Section 7(b) occurs during the period that a Conversion Price is calculated hereunder, then the calculation of such Conversion Price shall be adjusted appropriately to reflect the occurrence of such event.

(c) Subsequent Equity Sales. If, at any time while this Note is outstanding, 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 shares of Common Stock or Common Stock Equivalents (as defined in the Securities Purchase Agreement) entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the Conversion Price (such lower price, the "**Base Conversion Price**" and such issuances, collectively, a "**Dilutive Issuance**") (if the holder of the shares of 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 simultaneously with the consummation (or, if earlier, the announcement) of each Dilutive Issuance, the Conversion Price shall be reduced to equal the Base Conversion Price (subject to adjustment for reverse and forward stock splits, recapitalizations and similar transactions following the date of the Securities Purchase Agreement). The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any shares of Common Stock or Common Stock Equivalents subject to this Section 7(c) indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "**Dilutive Issuance Notice**"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 7(c) upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the 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 Conversion Notice.

(d) Reserved.

(e) Calculations. All calculations under this Section 7 shall be made by rounding to the nearest cent or the nearest 1/100th of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of shares of Common Stock.

(f) Voluntary Adjustment by Company. Subject to the rules and regulations of the Principal Market, the Company may at any time during the term of this Note, with the prior written consent of the Required Holders (as defined in the Securities Purchase Agreement), reduce (but not increase) the then current Conversion Price of each of the Notes to any amount and for any period of time deemed appropriate by the board of directors of the Company.

8. INSTALLMENT CONVERSION OR REDEMPTION.

(a) General. On each applicable Installment Date, provided there has been no Equity Conditions Failure, the Company shall pay to the Holder of this Note the applicable Installment Amount due on such date by converting such Installment Amount in accordance with this Section 8 (an "**Installment Conversion**"); provided, however, that the Company may, at its option following notice to the Holder as set forth below, pay the Installment Amount by redeeming such Installment Amount in cash (a "**Installment Redemption**") or by any combination of an Installment Conversion and an Installment Redemption so long as all of the outstanding applicable Installment Amount due on any Installment Date shall be converted and/or redeemed by the Company on the applicable Installment Date, subject

to the provisions of this Section 8. On the date which is the eleventh (11th) Trading Day prior to each Installment Date, the Company shall deliver written notice (each, an "**Installment Notice**" and the date the Holder receives such notice is referred to as the "**Installment Notice Date**"), to the Holder and such Installment Notice shall (i) either (A) confirm that the applicable Installment Amount of such Holder's Note shall be converted in whole pursuant to an Installment Conversion or (B) (1) state that the Company elects to redeem for cash, or is required to redeem for cash in accordance with the provisions of the Note, in whole or in part, the applicable Installment Amount pursuant to an Installment Redemption and (2) specify the portion of such Installment Amount which the Company elects or is required to redeem pursuant to an Installment Redemption (such amount to be redeemed in cash, the "**Installment Redemption Amount**") and the portion of the applicable Installment Amount, if any, with respect to which the Company will, and is permitted to, effect an Installment Conversion (such amount of the applicable Installment Amount so specified to be so converted pursuant to this Section 8 is referred to herein as the "**Installment Conversion Amount**"), which amounts when added together, must at least equal the entire applicable Installment Amount and (ii) if the applicable Installment Amount is to be paid, in whole or in part, pursuant to an Installment Conversion, certify that there is not then an Equity Conditions Failure as of the applicable Installment Notice Date. Each Installment Notice shall be irrevocable. If the Company does not timely deliver an Installment Notice in accordance with this Section 8 with respect to a particular Installment Date, then the Company shall be deemed to have delivered an irrevocable Installment Notice confirming an Installment Conversion of the entire Installment Amount and shall be deemed to have certified that there is not then an Equity Conditions Failure in connection with such Installment Conversion. Except as expressly provided in this Section 8, an Installment Notice shall apply to each outstanding Note and the Company shall convert and/or redeem the applicable Installment Amount of each outstanding Note pursuant to this Section 8 in the same ratio of cash and shares. The applicable Installment Conversion Amount (whether set forth in the applicable Installment Notice or by operation of this Section 8) shall be converted in accordance with Section 8(b) and the applicable Installment Redemption Amount shall be redeemed in accordance with Section 8(c).

(b) Mechanics of Installment Conversion. Subject to Section 3(d), if the Company delivers an Installment Notice or is deemed to have delivered an Installment Notice certifying that such Installment Amount is being paid, in whole or in part, in an Installment Conversion in accordance with Section 8(a), then the Holder may, at any time thereafter, convert such Installment Conversion Amount, in whole or in part, at the Installment Conversion Price in accordance with the conversion procedures set forth in Section 3 hereunder (with "Installment Conversion Price" replacing "Conversion Price" for all purposes therein), *mutatis mutandis*; provided, however, that the Equity Conditions are then satisfied (or waived in writing by the Holder) on the applicable Installment Date and an Installment Conversion is not otherwise prohibited under any other provision of this Note. If the Company confirmed (or is deemed to have confirmed by operation of Section 8(a)) the conversion of the applicable Installment Conversion Amount, in whole or in part, and there was no Equity Conditions Failure as of the applicable Installment Notice Date (or is deemed to have certified that the Equity Conditions in connection with any such conversion have been satisfied by operation of Section 8(a)) but an Equity Conditions Failure occurred between the applicable Installment Notice Date and any time through the applicable Installment Date or Conversion Date, as applicable (the "**Interim Installment Period**"), the Company shall provide the Holder a subsequent notice to that effect. If there is an Equity Conditions Failure (which is not waived in writing by the Holder) during such Interim Installment Period or an Installment Conversion is not otherwise permitted under any other provision of this Note (other than to the extent that the Maximum Percentage has been or would be exceeded), then, at the option of the Holder designated in writing to the Company, the Holder may require the Company to do any one or more of the following: (i) the Company shall redeem all or any part designated by the Holder of the unconverted Installment Conversion Amount (such designated amount is referred to as the "**Designated Redemption Amount**") and the Company shall pay to the Holder within two (2) Business Days of such Installment Date, by wire transfer of immediately available funds, an amount in cash equal to 110% of such Designated Redemption Amount and/or (ii) the Installment Conversion shall be null and void with respect to all or any part designated by the Holder of the unconverted Installment Conversion Amount and the Holder shall be entitled to all the rights of a holder of this Note with respect to such designated part of the Installment Conversion Amount; provided, however, the Conversion Price for such designated part of such unconverted Installment Conversion Amount shall thereafter be adjusted to equal the lesser of (A) the Installment Conversion Price as in effect on the date on which the Holder voided the Installment Conversion and (B) the Installment Conversion Price that would be in effect on the date on which the Holder delivers a Conversion Notice relating thereto. If the Company fails to redeem any Designated Redemption Amount by the second (2nd) Business Day following the applicable Installment Date by payment of such amount by such date, then the Holder shall have the rights set forth in Section 4(b) and Section 4(c) as if the Company failed to pay the applicable Installment Redemption Price (as defined below) and all other rights under this Note (including, without limitation, such failure constituting an Event of Default described in Section 4(a)). The Company shall pay any and all taxes that may be payable with respect to the issuance and delivery of any shares of Common Stock in any Installment Conversion hereunder. Each Installment Conversion Amount shall be applied first to the Installment Amount due on the Installment Date nearest to the Maturity Date. Notwithstanding anything to the contrary contained in this Section 8(b), if the Installment Conversion Price is less than the Floor Price, then in addition to the issuance of Conversion Shares (which issuance shall be at the Floor Price), the Company shall pay to the Holder cash as a true-up (the "**Cash True-**

Up Amount"). The Cash True-Up Amount means an amount in cash, to be delivered by wire transfer of immediately available funds pursuant to wire instructions delivered to the Company by the Holder in writing, equal to the product obtained by multiplying (A) the higher of (I) the highest price that the Common Stock trades at on the Principal Market on the Trading Day immediately preceding the relevant Conversion Date and (II) the applicable Conversion Price and (B) the difference obtained by subtracting (I) the number of shares of Common Stock delivered (or to be delivered) to the Holder on the applicable Share Delivery Deadline with respect to such Conversion from (II) the quotient obtained by dividing (x) the applicable Conversion Amount that the Holder has elected to be the subject of the applicable Conversion, by (y) the applicable Conversion Price without giving effect to the Floor Price. The intent of the Cash True-Up Amount is to compensate the Holder for its loss in value due to the condition that a Conversion Amount cannot be converted into shares of Common Stock at a Conversion Price less than the Floor Price. Any such adjustment must be approved by the Holder.

(c) Mechanics of Installment Redemption. If the Company elects or is required to effect an Installment Redemption, in whole or in part, in accordance with Section 8(a), then the Installment Redemption Amount, if any, shall be redeemed by the Company in cash on the applicable Installment Date by wire transfer to the Holder of immediately available funds in an amount equal to 100% of the applicable Installment Redemption Amount (the "**Installment Redemption Price**"). If the Company fails to redeem such Installment Redemption Amount on such Installment Date by payment of the Installment Redemption Price, then, at the option of the Holder designated in writing to the Company (any such designation shall be a "**Conversion Notice**" for purposes of this Note), the Holder may require the Company to convert all or any part of the Installment Redemption Amount at the Installment Conversion Price (determined as of the date of such designation). Conversions required by this Section 8(c) shall be made in accordance with the provisions of Section 3(c). Notwithstanding anything to the contrary in this Section 8(c), but subject to Section 3(d), until the Installment Redemption Price (together with any Late Charges thereon and Make-Whole Amount) is paid in full, the Installment Redemption Amount (together with any Late Charges thereon) may be converted, in whole or in part, by the Holder into shares of Common Stock pursuant to Section 3. In the event the Holder elects to convert all or any portion of the Installment Redemption Amount prior to the applicable Installment Date as set forth in the immediately preceding sentence, the Installment Redemption Amount so converted shall be deducted from the Installment Amounts relating to the applicable Installment Date(s) as set forth in the applicable Conversion Notice. Redemptions required by this Section 8(c) shall be made in accordance with the provisions of Section 11.

(d) Acceleration of Installment Amounts. Notwithstanding anything herein to the contrary, during any period commencing on an Installment Date (a "**Current Installment Date**") and ending on the Trading Day immediately prior to the next Installment Date, at the option of the Holder, at one or more times during any calendar month, but not exceeding an amount equal to three (3) aggregate payments of the Installment Amount (unless otherwise agreed to between the Holder and the Company), the Holder may convert an additional Installment Amount (each, an "**Acceleration**", and each such amount, an "**Acceleration Amount**", and the Conversion Date of any such Acceleration, each an "**Acceleration Date**"), in whole or in part, at the Acceleration Conversion Price of such Acceleration Date in accordance with the conversion procedures set forth in Section 3 hereunder (with "Acceleration Conversion Price" replacing "Conversion Price" for all purposes therein), *mutatis mutandis*. Each Acceleration Amount shall be applied first to the Installment Amount due on the Installment Date nearest to the Maturity Date. Notwithstanding anything to the contrary contained in this Section 8(d), if the Acceleration Conversion Price is less than the Floor Price, then in addition to the issuance of Conversion Shares (which issuance shall be at the Floor Price), the Company shall pay to the Holder the Cash True-Up Amount. Any such adjustment must be approved by the Holder.

(e) Deferred Installment Amount. Notwithstanding any provision of this Section 8 to the contrary, the Holder may, at its option and in its sole discretion, during any period commencing on a Current Installment Date and ending on the Trading Day immediately prior to the next Installment Date, at one or more times during any calendar month, but not exceeding an amount equal to six (6) aggregate payments of the Installment Amount, deliver a written notice to the Company no later than the Trading Day immediately prior to the applicable Installment Date electing to have the payment of all or any portion of an Installment Amount payable on such Installment Date deferred (such amount deferred, the "**Deferral Amount**", and such deferral, each a "**Deferral**") until any subsequent Installment Date selected by the Holder, in its sole discretion, in which case, the Deferral Amount shall be added to, and become part of, such subsequent Installment Amount and such Deferral Amount shall continue to accrue Interest hereunder. Any notice delivered by the Holder pursuant to this Section 8(e) shall set forth (i) the Deferral Amount and (ii) the date that such Deferral Amount shall now be payable.

(f) Holder Optional Redemption; Subsequent Placement. Subject to the provisions of this Section 8(f), if, at any time while this Note is outstanding, the Company shall carry out one or more Subsequent Placements, the Holder shall have the right to require the Company to first use up to the lower of (i) 20% of the net proceeds of such Subsequent Placement and (ii) 50% of the then principal amount of this Note to redeem all or a portion of this Note at a price in cash (such price, the "**Holder Optional Redemption Price**") to

equal to 100% multiplied by the sum of the principal amount subject to the Holder Optional Redemption, plus accrued but unpaid Interest, plus, the Make-Whole Amount, plus Late Charges, if any, plus liquidated damages, if any, and any other amounts, if any, then owing to the Holder in respect of this Note (a "**Holder Optional Redemption**"). The Company shall deliver notice to the Holder of the Subsequent Placement at least ten (10) Trading Days prior to the closing of the Subsequent Placement ("**Pre-Notice**"), which Pre-Notice shall ask such Holder if it wants to review the details of such financing (such additional notice, a "**Holder Optional Redemption Notice**" and the date such Holder Optional Redemption Notice is deemed delivered hereunder, the "**Holder Optional Redemption Notice Date**"). If the Holder exercises its right herein to require a Holder Optional Redemption by delivering written notice to the Company within ten (10) Trading Days of the Holder Optional Redemption Notice Date, the Company shall effect the Holder Optional Redemption and pay the Holder Optional Redemption Price to the Holder on or prior to the tenth (10th) Trading Day following the consummation of the Subsequent Placement (the "**Holder Optional Redemption Date**"). Notwithstanding the foregoing, this Section 8(f) shall not apply with respect to Excluded Securities, except that no securities issued in a Variable Rate Transaction (as defined in the Securities Purchase Agreement) shall be Excluded Securities unless otherwise expressly stated in the Transaction Documents.

(g) Company Optional Redemption. At any time the Company shall have the right to redeem all or any portion of the Conversion Amount then remaining under this Note (the "**Company Optional Redemption Amount**") on the Company Optional Redemption Date (defined below) (a "**Company Optional Redemption**"). The portion of this Note subject to redemption pursuant to this Section 8(g) shall be redeemed by the Company in cash at a price (the "**Company Optional Redemption Price**") equal to the greater of (i) 100% of the Conversion Amount being redeemed as of the Company Optional Redemption Date and (ii) the product of (1) the quotient of (a) the Conversion Amount to be redeemed divided by (b) the Redemption Conversion Price multiplied by (2) the average Closing Sale Price of the shares of Common Stock during the period commencing on the date immediately preceding such Company Optional Redemption Notice Date and ending on the Trading Day immediately prior to the date the Company makes the entire payment required to be made under this Section 8(g). The Company may exercise its right to require redemption under this Section 8(g) by delivering a written notice thereof by electronic mail and overnight courier to the Holder (the "**Company Optional Redemption Notice**" and the date the Holder receives such notice is referred to as the "**Company Optional Redemption Notice Date**"). The Company may deliver only one Company Optional Redemption Notice in any twenty (20) Trading Day period and any such Company Optional Redemption Notice shall be irrevocable. The Company Optional Redemption Notice shall (x) state the date on which the Company Optional Redemption shall occur (the "**Company Optional Redemption Date**") which date shall be at least ten (10) Trading Days following the Company Optional Redemption Notice Date, and (y) state the Conversion Amount of the Note which is being redeemed in such Company Optional Redemption Amount on the Company Optional Redemption Date. All Conversion Amounts converted by the Holder after the Company Optional Redemption Notice Date shall reduce the Company Optional Redemption Amount of this Note required to be redeemed on the Company Optional Redemption Date. Redemptions made pursuant to this Section 8(g) shall be made in accordance with Section 11. In the event of the Company's redemption of any portion of this Note under this Section 8(g), the Holder's damages would be uncertain and difficult to estimate because of the parties' inability to predict future interest rates and the uncertainty of the availability of a suitable substitute investment opportunity for the Holder. Accordingly, any redemption premium due under this Section 8(g) is intended by the parties to be, and shall be deemed, a reasonable estimate of the Holder's actual loss of its investment opportunity and not as a penalty. For the avoidance of doubt, the Company shall have no right to effect a Company Optional Redemption if any Event of Default has occurred and continuing, but any Event of Default shall have no effect upon the Holder's right to convert this Note in its discretion.

9. NONCIRCUMVENTION. The Company hereby covenants and agrees that the Company shall not, by amendment of its Charter (as defined in the Securities Purchase Agreement), Bylaws (as defined in the Securities Purchase Agreement) or through any reorganization, transfer of assets, consolidation, merger, scheme of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Note, and shall at all times in good faith carry out all of the provisions of this Note and take all action as may be required to protect the rights of the Holder of this Note. Without limiting the generality of the foregoing or any other provision of this Note or the other Transaction Documents, the Company (a) shall not increase the par value of any shares of Common Stock receivable upon conversion of this Note above the Conversion Price then in effect, and (b) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of shares of Common Stock upon the conversion of this Note. Notwithstanding anything herein to the contrary, if after sixty (60) days following the Issuance Date, the Holder is not permitted to convert this Note in full for any reason (other than pursuant to restrictions set forth in Section 3(d) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such conversion into shares of Common Stock.

10. RESERVATION OF AUTHORIZED SHARES.

(a) Reservation. So long as any Notes remain outstanding, the Company shall at all times reserve at least 100% of the number of shares of Common Stock as shall from time to time be necessary to effect the conversion of all of the Notes then outstanding (without regard to any limitations on conversions and assuming such Notes remain outstanding until the Maturity Date) at the Floor Price (the "**Required Reserve Amount**"). The Required Reserve Amount (including, without limitation, each increase in the number of shares so reserved) shall be allocated pro rata among the holders of the Notes based on the Original Principal Amount of the Notes held by each Holder on the Issuance Date or increase in the number of reserved shares, as the case may be (the "**Authorized Share Allocation**"). In the event that a Holder shall sell or otherwise transfer any of such holder's Notes, each transferee shall be allocated a pro rata portion of such Holder's Authorized Share Allocation. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any Notes shall be allocated to the remaining holders of Notes, pro rata based on the principal amount of the Notes then held by such holders.

(b) Insufficient Authorized Shares. If, notwithstanding Section 10(a), and not in limitation thereof, at any time while any of the Notes remain outstanding, the Company does not have a sufficient number of authorized and unreserved shares of Common Stock to satisfy its obligation to reserve for issuance upon conversion of the Notes at least a number of shares of Common Stock equal to the Required Reserve Amount (an "**Authorized Share Failure**"), then the Company shall immediately take all action necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for the Notes then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than ninety (90) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its best efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its board of directors to recommend to the stockholders that they approve such proposal. In the event that the Company is prohibited from issuing shares of Common Stock pursuant to the terms of this Note due to the failure by the Company to have sufficient shares of Common Stock available out of the authorized but unissued shares of Common Stock (such unavailable number of shares of Common Stock, the "**Authorized Failure Shares**"), in lieu of delivering such Authorized Failure Shares to the Holder, the Company shall pay cash in exchange for the redemption of such portion of the Conversion Amount convertible into such Authorized Failure Shares at a price equal to the sum of (i) the product of (x) such number of Authorized Failure Shares and (y) the greatest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date the Holder delivers the applicable Conversion Notice with respect to such Authorized Failure Shares to the Company and ending on the Trading Day immediately prior to the date the Company makes the entire payment required to be made under this Section 10(b); and (ii) to the extent the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of Authorized Failure Shares, any brokerage commissions and other out-of-pocket expenses, if any, of the Holder incurred in connection therewith. Nothing contained in this Section 10 shall limit any obligations of the Company under any provision of the Securities Purchase Agreement.

11. REDEMPTIONS.

(a) Mechanics. The Company shall deliver the applicable Event of Default Redemption Price to the Holder in cash within five (5) Business Days after the Company's receipt of the Holder's Event of Default Redemption Notice in accordance with Section 4(b). If the Holder has submitted a Change of Control Redemption Notice in accordance with Section 5(b), the Company shall deliver the applicable Change of Control Redemption Price to the Holder in cash concurrently with the consummation of such Change of Control if such notice is received prior to the consummation of such Change of Control, and within five (5) Business Days after the Company's receipt of such notice otherwise. The Company shall deliver the applicable Company Optional Redemption Price to the Holder in cash on the applicable Company Optional Redemption Date in accordance with Section 8(g). If the Holder has elected optional redemption pursuant to Section 8(f) in response to its receipt of the Holder Optional Redemption Notice, the Company shall deliver the applicable Holder Optional Redemption Price to the Holder in cash on the applicable Holder Optional Redemption Date. Notwithstanding anything herein to the contrary, in connection with any redemption hereunder at a time the Holder is entitled to receive a cash payment under any of the other Transaction Documents, at the option of the Holder delivered in writing to the Company, the applicable Redemption Price hereunder shall be increased by the amount of such cash payment owed to the Holder under such other Transaction Document and, upon payment

in full or conversion in accordance herewith, shall satisfy the Company's payment obligation under such other Transaction Document. In the event of a redemption of less than all of the Conversion Amount of this Note, the Company shall promptly cause to be issued and delivered to the Holder a new Note (in accordance with Section 18(d)) representing the outstanding Principal which has not been redeemed. In the event that the Company does not pay the applicable Redemption Price to the Holder within the time period required, at any time thereafter and until the Company pays such unpaid Redemption Price in full, the Holder shall have the option, in lieu of redemption, to require the Company to promptly return to the Holder all or any portion of this Note representing the Conversion Amount that was submitted for redemption (or for which the Company elected optional redemption) and for which the applicable Redemption Price (together with any Late Charges thereon and Make-Whole Amount) has not been paid. Upon the Company's receipt of such notice, (x) the applicable Redemption Notice shall be null and void with respect to such Conversion Amount, (y) the Company shall immediately return this Note, or issue a new Note (in accordance with Section 18(d)), to the Holder, and in each case the principal amount of this Note or such new Note (as the case may be) shall be increased by an amount equal to the difference between (1) the applicable Redemption Price (as the case may be, and as adjusted pursuant to this Section 11, if applicable) minus (2) the Principal portion of the Conversion Amount submitted for redemption and (z) the Conversion Price of this Note or such new Notes (as the case may be) shall be automatically adjusted with respect to each conversion effected thereafter by the Holder to the lowest of (A) the Conversion Price as in effect on the date on which the applicable Redemption Notice is voided, (B) seventy-five percent (75%) of the lowest Closing Bid Price of the shares of Common Stock during the period beginning on and including the date on which the applicable Redemption Notice is delivered to the Company and ending on and including the date on which the applicable Redemption Notice is voided and (C) seventy-five percent (75%) of the quotient of (I) the sum of the two (2) lowest VWAPs of the shares of Common Stock during the ten (10) consecutive Trading Day period ending and including the applicable Conversion Date divided by (II) two (2) (it being understood and agreed that all such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period). The Holder's delivery of a notice voiding a Redemption Notice and exercise of its rights following such notice shall not affect the Company's obligations to make any payments of Late Charges and Make-Whole Amount, which have accrued prior to the date of such notice with respect to the Conversion Amount subject to such notice.

(b) Redemption by Other Holders. Upon the Company's receipt of notice from any of the holders of the Other Notes for redemption or repayment (each, an "**Other Redemption Notice**"), the Company shall immediately, but no later than one (1) Business Day of its receipt thereof, forward to the Holder via electronic mail a copy of such notice. If the Company receives a Redemption Notice and one or more Other Redemption Notices, during the seven (7) Business Day period beginning on and including the date which is two (2) Business Days prior to the Company's receipt of the Holder's applicable Redemption Notice and ending on and including the date which is two (2) Business Days after the Company's receipt of the Holder's applicable Redemption Notice and the Company is unable to redeem all principal, interest and other amounts designated in such Redemption Notice and such Other Redemption Notices received during such seven (7) Business Day period, then the Company shall redeem a pro rata amount from each holder of the Notes (including the Holder) based on the principal amount of the Notes submitted for redemption pursuant to such Redemption Notice and such Other Redemption Notices received by the Company during such seven (7) Business Day period.

12. VOTING RIGHTS. The Holder shall have no voting rights as the holder of this Note, except as required by law and as expressly provided in this Note**.**

13. COVENANTS. Until all of the Notes have been converted, redeemed or otherwise satisfied in accordance with their terms:

(a) Rank. All payments due under this Note shall (i) rank *pari passu* with all Other Notes and (ii) be senior to all other Indebtedness of the Company and its Subsidiaries except for such debt that is set forth in Schedule 3(q) to the Securities Purchase Agreement.

(b) Incurrence of Indebtedness. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, (i) incur or guarantee, assume or suffer to exist any Indebtedness that is senior to Indebtedness under the Notes other than Permitted Indebtedness, or (ii) increase the amount owed under any existing Indebtedness, as set forth in Schedule 3(q) to the Securities Purchase Agreement.

(c) Existence of Liens. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, allow or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property

or assets (including accounts and contract rights) owned by the Company or any of its Subsidiaries (collectively, "**Liens**") other than Permitted Liens.

(d) Restricted Payments. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, defease, repurchase, repay or make any payments in respect of, by the payment of cash or cash equivalents (in whole or in part, whether by way of open market purchases, tender offers, private transactions or otherwise), all or any portion of any Indebtedness (other than the Notes) whether by way of payment in respect of principal of (or premium, if any) or interest on, such Indebtedness if at the time such payment is due or is otherwise made or, after giving effect to such payment, (i) an event constituting an Event of Default has occurred and is continuing or (ii) an event that with the passage of time and without being cured would constitute an Event of Default has occurred and is continuing.

(e) Restriction on Redemption and Cash Dividends. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, redeem, repurchase or declare or pay any cash dividend or distribution on any of its capital stock if at the time such payment is due or is otherwise made or, after giving effect to such payment, (i) an event constituting an Event of Default has occurred and is continuing or (ii) an event that with the passage of time and without being cured would constitute an Event of Default has occurred and is continuing.

(f) Restriction on Transfer of Assets. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, sell, lease, license, assign, transfer, spin-off, split-off, close, convey or otherwise dispose of any assets or rights of the Company or any Subsidiary owned or hereafter acquired whether in a single transaction or a series of related transactions, other than (i) sales, leases, licenses, assignments, transfers, conveyances and other dispositions of such assets or rights by the Company and its Subsidiaries in the ordinary course of business consistent with its past practice and (ii) sales of inventory and product in the ordinary course of business.

(g) Maturity of Indebtedness. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, permit any Indebtedness of the Company or any of its Subsidiaries owed to Fiza Investments Limited ("**Fiza**") or its affiliates to mature or accelerate prior to the date that is ninety (90) calendar days after the Maturity Date regardless of anything to the contrary contained in the terms of such Indebtedness.

(h) Change in Nature of Business. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by or publicly contemplated to be conducted by the Company and each of its Subsidiaries on the Subscription Date or any business substantially related or incidental thereto. The Company shall not, and the Company shall cause each of its Subsidiaries to not, directly or indirectly, modify its or their corporate structure or purpose.

(i) Preservation of Existence, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, its existence, rights and privileges, and become or remain, and cause each of its Subsidiaries to become or remain, duly qualified and in good standing in each jurisdiction in which the character of the properties owned or leased by it or in which the transaction of its business makes such qualification necessary.

(j) Maintenance of Properties, Etc. The Company shall maintain and preserve, and cause each of its Subsidiaries to maintain and preserve, all of its properties which are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and comply, and cause each of its Subsidiaries to comply, at all times with the provisions of all leases to which it is a party as lessee or under which it occupies property, so as to prevent any loss or forfeiture thereof or thereunder.

(k) Maintenance of Intellectual Property. The Company shall, and shall cause each of its Subsidiaries to, take all action necessary or advisable to maintain all of the Intellectual Property (as defined in the Securities Purchase Agreement) of the Company and/or any of its Subsidiaries that are necessary or material to the conduct of its business in full force and effect.

(l) Maintenance of Insurance. The Company shall maintain, and cause each of its Subsidiaries to maintain, insurance with responsible and reputable insurance companies or associations (including, without limitation, comprehensive general liability, hazard, rent and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business,

in such amounts and covering such risks as is required by any governmental authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

(m) Transactions with Affiliates. The Company shall not, nor shall it permit any of its Subsidiaries to, enter into, renew, extend or be a party to, any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, transfer or exchange of property or assets of any kind or the rendering of services of any kind) with any affiliate, except transactions in the ordinary course of business in a manner and to an extent consistent with past practice and necessary or desirable for the prudent operation of its business, for fair consideration and on terms no less favorable to it or its Subsidiaries than would be obtainable in a comparable arm's length transaction with a Person that is not an affiliate thereof.

(n) Restricted Issuances. The Company shall not, directly or indirectly, without the prior written consent of the holders of a majority in aggregate principal amount of the Notes then outstanding, (i) issue any Notes (other than as contemplated by the Securities Purchase Agreement and the Notes) or (ii) issue any other securities that would cause a breach or default under the Notes.

(o) Independent Investigation. At the request of the Holder either (x) at any time when an Event of Default has occurred and is continuing, (y) upon the occurrence of an event that with the passage of time or giving of notice would constitute an Event of Default or (z) at any time the Holder reasonably believes an Event of Default may have occurred or be continuing, the Company shall hire an independent, reputable investment bank selected by the Company and approved by the Holder to investigate as to whether any breach of this Note has occurred (the "**Independent Investigator**"). If the Independent Investigator determines that such breach of this Note has occurred, the Independent Investigator shall notify the Company of such breach and the Company shall deliver written notice to each holder of a Note regarding such breach. In connection with such investigation, the Independent Investigator may, during normal business hours, inspect all contracts, books, records, personnel, offices and other facilities and properties of the Company and its Subsidiaries and, to the extent available to the Company after the Company uses reasonable efforts to obtain them, the records of its legal advisors and accountants (including the accountants' work papers) and any books of account, records, reports and other papers not contractually required of the Company to be confidential or secret, or subject to attorney-client or other evidentiary privilege, and the Independent Investigator may make such copies and inspections thereof as the Independent Investigator may reasonably request. The Company shall furnish the Independent Investigator with such financial and operating data and other information with respect to the business and properties of the Company as the Independent Investigator may reasonably request. The Company shall permit the Independent Investigator to discuss the affairs, finances and accounts of the Company with, and to make proposals and furnish advice with respect thereto to, the Company's officers, directors, key employees and independent public accountants or any of them (and by this provision the Company authorizes said accountants to discuss with such Independent Investigator the finances and affairs of the Company and any Subsidiaries), all at such reasonable times, upon reasonable notice, and as often as may be reasonably requested.

14. INTENTIONALLY OMITTED.

15. DISTRIBUTION OF ASSETS. In addition to any adjustments pursuant to Section 7, if the Company shall declare or make any dividend or other distributions of its assets (or rights to acquire its assets) to any or all 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) (the "Distributions"), then the Holder shall be entitled to such Distributions as if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without taking into account any limitations or restrictions on the convertibility of this Note) immediately prior to the date on which a record is taken for such Distribution or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for such Distributions (provided, however, that to the extent that the Holder's right to participate in any such Distribution would result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, then the Holder shall not be entitled to participate in such Distribution to the extent of the Maximum Percentage (and shall not be entitled to beneficial ownership of such shares of Common Stock as a result of such Distribution (and beneficial ownership) to the extent of any such excess) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time or times, if ever, as its right thereto would not result in the Holder and the other Attribution Parties exceeding the Maximum Percentage, at which time or times the Holder shall be granted such Distribution (and any Distributions declared or made on such initial Distribution or on any subsequent Distribution held similarly in abeyance) to the same extent as if there had been no such limitation).

16. AMENDING THE TERMS OF THIS NOTE. Except for Section 3(d), which may not be amended, modified or waived by the parties hereto, the prior written consent of the Holder shall be required for any change, waiver or amendment to this Note.

17. TRANSFER. This Note and any shares of Common Stock issued upon conversion of this Note may be offered, sold, assigned or transferred by the Holder without the consent of the Company, subject only to the provisions of Section 2(g) of the Securities Purchase Agreement.

18. REISSUANCE OF THIS NOTE.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company shall forthwith issue and deliver upon the order of the Holder a new Note to the transferee (in accordance with Section 18(d)), registered as the Holder may request, representing the outstanding Principal being transferred by the Holder and, if less than the entire outstanding Principal is being transferred, a new Note (in accordance with Section 18(d)) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section 3(c)(iii) following conversion or redemption of any portion of this Note, the outstanding Principal represented by this Note may be less than the Principal stated on the face of this Note.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section 18(d)) representing the outstanding Principal.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section 18(d) and in principal amounts of at least $1,000) representing in the aggregate the outstanding Principal of this Note, and each such new Note shall represent such portion of such outstanding Principal as is designated by the Holder at the time of such surrender.

(d) Issuance of New Notes. Whenever the Company is required to issue a new Note pursuant to the terms of this Note, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Principal remaining outstanding (or in the case of a new Note being issued pursuant to Section 18(a) or Section 18(c), the Principal designated by the Holder which, when added to the principal represented by the other new Notes issued in connection with such issuance, does not exceed the Principal remaining outstanding under this Note immediately prior to such issuance of new Notes), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of this Note, (iv) shall have the same rights and conditions as this Note, and (v) shall represent accrued and unpaid Make-Whole Amount, Interest and Late Charges on the Principal, Interest and Make-Whole Amount of this Note, from the Issuance Date.

19. 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. No failure on the part of the Holder to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Holder of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. In addition, the exercise of any right or remedy of the Holder at law or equity or under this Note or any of the documents shall not be deemed to be an election of Holder's rights or remedies under such documents or at law or equity. 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 shall 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 specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note (including, without limitation, compliance with Section 7).

20. PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. If (a) this Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding or the Holder otherwise takes action to collect amounts due under this Note or to enforce the provisions of this Note or (b) there occurs any bankruptcy, reorganization, receivership of the Company or other proceedings affecting Company creditors' rights and involving a claim under this Note, then the Company shall pay the costs incurred by the Holder for such collection, enforcement or action or in connection with such bankruptcy, reorganization, receivership or other proceeding, including, without limitation, attorneys' fees and disbursements. The Company expressly acknowledges and agrees that no amounts due under this Note shall be affected, or limited, by the fact that the purchase price paid for this Note was less than the original Principal amount hereof.

21. CONSTRUCTION; HEADINGS. This Note shall be deemed to be jointly drafted by the Company and the initial Holder and shall not be construed against any such Person as the drafter hereof. The headings of this Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Note. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Note instead of just the provision in which they are found. Unless expressly indicated otherwise, all section references are to sections of this Note. Terms used in this Note and not otherwise defined herein, but defined in the other Transaction Documents, shall have the meanings ascribed to such terms on the Closing Date in such other Transaction Documents unless otherwise consented to in writing by the Holder.

22. FAILURE OR INDULGENCE NOT WAIVER. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party. Notwithstanding the foregoing, nothing contained in this Section 22 shall permit any waiver of any provision of Section 3(d).

23. DISPUTE RESOLUTION.

(a) Submission to Dispute Resolution.

(i) In the case of a dispute relating to a Closing Bid Price, a Closing Sale Price, a Conversion Price, a VWAP or a fair market value or the arithmetic calculation of an Alternative Conversion Rate, or the applicable Redemption Price (as the case may be) (including, without limitation, a dispute relating to the determination of any of the foregoing), the Company or the Holder (as the case may be) shall submit the dispute to the other party via electronic mail (A) if by the Company, within two (2) Business Days after the occurrence of the circumstances giving rise to such dispute or (B) if by the Holder at any time after the Holder learned of the circumstances giving rise to such dispute. If the Holder and the Company are unable to promptly resolve such dispute relating to such Closing Bid Price, such Closing Sale Price, such Conversion Price, such VWAP or such fair market value, or the arithmetic calculation of such Alternative Conversion Rate or such applicable Redemption Price (as the case may be), at any time after the second (2nd) Business Day following such initial notice by the Company or the Holder (as the case may be) of such dispute to the Company or the Holder (as the case may be), then the Holder may, at its sole option, select an independent, reputable investment bank to resolve such dispute.

(ii) The Holder and the Company shall each deliver to such investment bank (A) a copy of the initial dispute submission so delivered in accordance with the first sentence of this Section 23 and (B) written documentation supporting its position with respect to such dispute, in each case, no later than 5:00 p.m. (New York time) by the fifth (5^{th}) Business Day immediately following the date on which the Holder selected such investment bank (the "**Dispute Submission Deadline**") (the documents referred to in the immediately preceding clauses (A) and (B) are collectively referred to herein as the "**Required Dispute Documentation**") (it being understood and agreed that if either the Holder or the Company fails to so deliver all of the Required Dispute Documentation by the Dispute Submission Deadline, then the party who fails to so submit all of the Required Dispute Documentation shall no longer be entitled to (and hereby waives its right to) deliver or submit any written documentation or other support to such investment bank with respect to such dispute and such investment bank shall resolve such dispute based solely on the Required Dispute Documentation that was delivered to such investment bank prior to the Dispute Submission Deadline). Unless otherwise agreed to in writing by both the Company and the Holder or otherwise requested by

such investment bank, neither the Company nor the Holder shall be entitled to deliver or submit any written documentation or other support to such investment bank in connection with such dispute (other than the Required Dispute Documentation).

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

(b) Miscellaneous. The Company expressly acknowledges and agrees that (i) this Section 23 constitutes an agreement to arbitrate between the Company and the Holder (and constitutes an arbitration agreement) under § 7501, et seq. of the New York Civil Practice Law and Rules ("**CPLR**") and that the Holder is authorized to apply for an order to compel arbitration pursuant to CPLR § 7503(a) in order to compel compliance with this Section 23, (ii) a dispute relating to a Conversion Price includes, without limitation, disputes as to (A) whether an issuance or sale or deemed issuance or sale of shares of Common Stock occurred under Section 7(a), (B) the consideration per share at which an issuance or deemed issuance of shares of Common Stock occurred, and (C) whether an agreement, instrument, security or the like constitutes and Option or Convertible Security, (iii) the terms of this Note and each other applicable Transaction Document shall serve as the basis for the selected investment bank's resolution of the applicable dispute, such investment bank shall be entitled (and is hereby expressly authorized) to make all findings, determinations and the like that such investment bank determines are required to be made by such investment bank in connection with its resolution of such dispute and in resolving such dispute such investment bank shall apply such findings, determinations and the like to the terms of this Note and any other applicable Transaction Documents, (iv) the Holder (and only the Holder), in its sole discretion, shall have the right to submit any dispute described in this Section 23 to any state or federal court sitting in The City of New York, Borough of Manhattan in lieu of utilizing the procedures set forth in this Section 23 and (v) nothing in this Section 23 shall limit the Holder from obtaining any injunctive relief or other equitable remedies (including, without limitation, with respect to any matters described in this Section 23).

24. NOTICES; CURRENCY; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Note, unless otherwise provided herein, such notice shall be given in accordance with Section 9(f) of the Securities Purchase Agreement. The Company shall provide the Holder with prompt written notice of all actions taken pursuant to this Note, including in reasonable detail a description of such action and the reason therefore. Without limiting the generality of the foregoing, the Company shall give written notice to the Holder (i) immediately upon any adjustment of the Conversion Price, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least fifteen (15) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the shares of Common Stock, (B) with respect to any grant, issuances, or sales of any Options, Convertible Securities or rights to purchase stock, warrants, securities or other property to holders of shares of Common Stock or (C) for determining rights to vote with respect to any Fundamental Transaction, dissolution or liquidation, provided in each case that such information shall be made known to the public prior to or in conjunction with such notice being provided to the Holder.

(b) Currency. All dollar amounts referred to in this Note are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Note shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Note, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation (it being understood and agreed that where an amount is calculated with reference to, or over, a period of time, the date of calculation shall be the final date of such period of time).

(c) Payments. Whenever any payment of cash is to be made by the Company to any Person pursuant to this Note, unless otherwise expressly set forth herein, such payment shall be made in lawful money of the United States of America by a certified check drawn on the account of the Company and sent via overnight courier service to such Person at such address as previously provided to the Company in writing (which address, in the case of each of the Holders, shall initially be as set forth on the Schedule of Buyers attached to the Securities Purchase Agreement), provided that the Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and the Holder's wire transfer instructions. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day. Any amount of Principal or other amounts due under the Transaction Documents which is not paid when due shall result in a late charge being incurred and payable by the Company in an amount equal to

interest on such amount at the rate of eighteen percent (18%) per annum from the date such amount was due until the same is paid in full ("**Late Charge**").

25. CANCELLATION. After all Principal, accrued Interest, Late Charges, Make-Whole Amount and other amounts at any time owed on this Note have been paid in full, this Note shall automatically be deemed canceled, shall be surrendered to the Company for cancellation and shall not be reissued.

26. WAIVER OF NOTICE. To the extent permitted by law, the Company hereby irrevocably waives demand, notice, presentment, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and the Securities Purchase Agreement.

27. GOVERNING LAW. This Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Note shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Except as otherwise required by Section 23, the Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Nothing contained herein (i) shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder, to realize on any collateral or any other security for such obligations, or to enforce a judgment or other court ruling in favor of the Holder or (ii) shall limit, or shall be deemed or construed to limit, any provision of Section 23. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY.** The choice of the laws of the State of New York as the governing law of this Note is a valid choice of law and would be recognized and given effect to in any action brought before a court of competent jurisdiction under New York law except for those laws (i) which such court considers to be procedural in nature, (ii) which are revenue or penal laws or (iii) the application of which would be inconsistent with public policy, as such term is interpreted under the laws of the State of New York. The Company or any of their respective properties, assets or revenues does not have any right of immunity under New York law, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of New York or United States federal court, from service of process, attachment upon or prior to judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Note; and, to the extent that the Company, or any of its properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company hereby waives such right to the extent permitted by law and hereby consents to such relief and enforcement as provided in this Note and the other Transaction Documents

28. JUDGMENT CURRENCY.

(a) If for the purpose of obtaining or enforcing judgment against the Company in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 28 referred to as the "**Judgment Currency**") an amount due in U.S. dollars under this Note, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(i) the date actual payment of the amount due, in the case of any proceeding in the courts of New York or in the courts of any other jurisdiction that shall give effect to such conversion being made on such date; or

(ii) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 28(a)(ii) being hereinafter referred to as the "**Judgment Conversion Date**").

(b) If in the case of any proceeding in the court of any jurisdiction referred to in Section 28(a)(ii) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, shall produce the amount of US dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(c) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Note.

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

30. MAXIMUM PAYMENTS. Without limiting Section 9(d) of the Securities Purchase Agreement, nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

31. CERTAIN DEFINITIONS. For purposes of this Note, the following terms shall have the following meanings:

(a) "**Acceleration Conversion Price**" means, with respect to any given Acceleration Date, the lower of (i) the Installment Conversion Price for such Current Installment Date related to such Acceleration Date and (ii) 95% of the lowest VWAP of the shares of Common Stock during the ten (10) consecutive Trading Day period ending and including the Trading Day immediately prior to such Acceleration Date, all such determinations to be appropriately adjusted for any share split, share dividend, share combination or other similar transaction during any such measuring period.

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

(c) "**Approved Stock Plan**" means any stock incentive plan or other benefit plan which has been approved by the board of directors of the Company prior to or subsequent to the Subscription Date, which provides for the grant of equity awards to any employee, officer or director for services provided to the Company in their capacity as such.

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

Holder's and the other Attribution Parties for purposes of Section 13(d) of the Exchange Act. For clarity, the purpose of the foregoing is to collectively subject the Holder and all other Attribution Parties to the Maximum Percentage.

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

(f) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(g) "**Change of Control**" means any Fundamental Transaction other than (i) any merger of the Company or any of its, direct or indirect, wholly-owned Subsidiaries with or into any of the foregoing Persons, (ii) any reorganization, recapitalization or reclassification of the shares of Common Stock in which holders of the Company's voting power immediately prior to such reorganization, recapitalization or reclassification continue after such reorganization, recapitalization or reclassification to hold publicly traded securities and, directly or indirectly, are, in all material respects, the holders of the voting power of the surviving entity (or entities with the authority or voting power to elect the members of the board of directors (or their equivalent if other than a corporation) of such entity or entities) after such reorganization, recapitalization or reclassification, or (iii) pursuant to a migratory merger effected solely for the purpose of changing the jurisdiction of incorporation of the Company or any of its Subsidiaries.

(h) "**Change of Control Redemption Premium**" means one hundred and ten percent (110%).

(i) "**Closing Bid Price**" and "**Closing Sale Price**" means, for any security as of any date, the last closing bid price and last closing trade price, respectively, for such security on the Principal Market, as reported by Bloomberg, or, if the Principal Market begins to operate on an extended hours basis and does not designate the closing bid price or the closing trade price (as the case may be) then the last bid price or last trade price, respectively, of such security prior to 4:00:00 p.m., New York time, as reported by Bloomberg, or, if the Principal Market is not the principal securities exchange or trading market for such security, the last closing bid price or last trade price, respectively, of such security on the principal securities exchange or trading market where such security is listed or traded as reported by Bloomberg, or if the foregoing do not apply, the last closing bid price or last trade price, respectively, of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg, or, if no closing bid price or last trade price, respectively, is reported for such security by Bloomberg, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported by OTC Markets Group Inc. If the Closing Bid Price or the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Bid Price or the Closing Sale Price (as the case may be) of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 23. All such determinations shall be appropriately adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions during such period.

(j) "**Closing Date**" shall have the meaning set forth in the Securities Purchase Agreement, which date is the date the Company initially issued Notes pursuant to the terms of the Securities Purchase Agreement.

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

(l) "**Common Stock**" means (i) the Company's shares of common stock, $0.0001 par value per share, and (ii) any capital stock into which such shares of common stock shall have been changed or any share capital resulting from a reclassification of such shares of common stock.

(m) "**Current Subsidiary**" means any Person in which the Company, as of the Subscription Date, directly or indirectly, (i) owns any of the outstanding capital stock or holds any equity or similar interest of such Person, or (ii) controls or operates all or any part of the business, operations or administration of such Person, and all of the foregoing, collectively, "**Current Subsidiaries**."

(n) "**Eligible Market**" means the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, The New York Stock Exchange or the NYSE American, or any successor to any of the foregoing.

(o) "**Equity Conditions**" means, during the period in question, (a) the Company shall have duly honored all conversions and redemptions scheduled to occur or occurring by virtue of one or more Conversion Notices of the Holder, if any, (b) the Company shall have paid all liquidated damages and other amounts owing to the Holder in respect of this Note, if any, (c)(i) there is an effective Registration Statement pursuant to which the Holder is permitted to utilize the prospectus thereunder to resell all of the shares of Common Stock issuable pursuant to the Transaction Documents (and the Company believes, in good faith, that such effectiveness will continue uninterrupted for the foreseeable future, except for the filing of post-effective amendment) or (ii) all of the shares of Common Stock issuable pursuant to the Transaction Documents (and shares issuable in lieu of cash payments of interest) may be resold pursuant to Rule 144 by a person that is not an affiliate (as defined in Rule 144 as in effect on the Issuance Date) of the Company, and that has not been an affiliate (as defined in Rule 144 as in effect on the Issuance Date) of the Company during the three months immediately preceding such date, without volume or manner-of-sale restrictions or current public information requirements as determined by the counsel to the Company as set forth in a written opinion letter to such effect, addressed and acceptable to the Transfer Agent and the Holder, (d) the shares of Common Stock are trading on the Principal Market and all of the shares issuable pursuant to the Transaction Documents are listed or quoted for trading on such Principal Market (and the Company believes, in good faith, that trading of the shares of Common Stock on the Principal Market will continue uninterrupted for the foreseeable future), (e) there is a sufficient number of authorized but unissued and otherwise unreserved shares of Common Stock for the issuance of all of the shares then issuable pursuant to the Transaction Documents, (f) there is no existing Event of Default and no existing event which, with the passage of time or the giving of notice, would constitute an Event of Default, (g) the issuance of the shares in question (or, in the case of a Company Optional Redemption or Installment Redemption, the shares issuable upon conversion in full of the Company Optional Redemption Amount or Installment Redemption Amount) to the Holder would not violate the limitations set forth in Section 3(d) herein, (h) there has been no public announcement of a pending or proposed Fundamental Transaction or Change of Control that has not been consummated, (i) the Holder is not in possession of any information provided by the Company, any of its Subsidiaries, or any of their officers, directors, employees, agents or Affiliates, that constitutes, or may constitute, material non-public information, (j) the Company has timely filed all SEC Documents required to be filed with or furnished to the Commission under the Securities Act or the Exchange Act, including those required to be filed with or furnished to the Commission under Section 13(a) or Section 15(d) of the Exchange Act, (k) the daily VWAP of the shares of Common Stock exceeds $4.00 (subject to adjustment for any share split, share dividend, share combination or other similar transactions) on the Principal Market during each Trading Day for the twenty (20) Trading Days prior to the applicable date in question, and (l) the average daily trading volume of the shares of Common Stock on the Principal Market during the twenty (20) Trading Days prior to the applicable date in question exceeds $300,000.

(p) "**Equity Conditions Failure**" means that on any day (but for clause (l) of the definition of Equity Conditions, which shall be measured over the entire twenty (20) Trading Day period) during the period commencing twenty (20) Trading Days prior to the applicable Installment Date through the applicable Installment Date and the date on which the applicable shares of Common Stock are actually delivered to the Holder, the Equity Conditions have not been satisfied (or waived in writing by the Holder).

(q) "**Event Market Price**" means, with respect to any Share Combination Event Date, the quotient determined by dividing (x) the sum of the VWAP of the shares of Common Stock for each of the five (5) Trading Days with the lowest VWAP of the shares of Common Stock during the fifteen (15) consecutive Trading Day period ending and including the Trading Day immediately preceding the sixteenth (16th) Trading Day after such Share Combination Event Date, divided by (y) five (5).

(r) "**Excluded Securities**" means (i) shares of Common Stock or standard Options to purchase shares of Common Stock to directors, officers or employees of the Company in their capacity as such pursuant to an Approved Stock Plan (as defined below), provided that (A) all such issuances (taking into account the shares of Common Stock issuable upon exercise of such Options) after the Subscription Date pursuant to this clause do not, in the aggregate, exceed ten percent (10%) of the shares of Common Stock issued and outstanding immediately prior to the Subscription Date, and (B) the exercise price of any such Options is not lowered, none of such Options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Options are otherwise materially changed in any manner that adversely affects any of the Buyers (as defined in the Securities Purchase Agreement); (ii) shares of Common Stock issued upon the conversion or exercise of Convertible Securities (as defined in the Securities Purchase Agreement) or Options (other than standard Options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) issued prior to the Subscription Date, provided that the conversion, exercise, or other method of issuance (as the case may be) of any such Convertible Security or Option is made solely pursuant to the conversion, exercise, or other method of issuance (as the case may be) provisions of such Convertible Security or Option that were in effect on the date immediately prior to the Subscription Date, the conversion, exercise, or issuance price of any such Convertible Securities or Options (other than standard Options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) is not lowered,

none of such Convertible Securities or Options (other than standard Options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder, and none of the terms or conditions of any such Convertible Securities or Options (other than standard Options to purchase shares of Common Stock issued pursuant to an Approved Stock Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects any of the Buyers; (iii) the Conversion Shares; and (iv) securities issued pursuant to acquisitions, divestitures, licenses, partnerships, collaborations, or strategic transactions approved by the Company's board of directors or a majority of the members of a committee of directors established for such purpose, provided that any such issuance shall only be to a Person (or to the equity holders of a Person) which is, itself or through its subsidiaries, an operating company or an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, 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.

(s) "**Floor Price**" means $1.98, subject to adjustment for reverse and forward stock splits, recapitalizations and similar transactions.

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

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

(v) "**Indebtedness**" shall have the meaning ascribed to such term in the Securities Purchase Agreement.

(w) "**Initial Installment Date**" means the date that is 90 days from the Issuance Date of this Note.

(x) "**Installment Amount**" means the sum of (A) (i) with respect to any Installment Date other than the Maturity Date, the lesser of (x) 1/21st of the Original Principal Amount and (y) the Principal amount then outstanding under this Note as of such Installment Date, and (ii) with respect to the Installment Date that is the Maturity Date, the Principal amount then outstanding under this Note as of such Installment Date (in each case, as any such Installment Amount may be reduced pursuant to the terms of this Note, whether upon conversion or redemption), (B) any Acceleration Amount accelerated pursuant to Section 8(d) and included in such Installment Amount in accordance therewith, (C) any Deferral Amount deferred pursuant to Section 8(e) and included in such Installment Amount in accordance therewith and (D) in each case of clauses (A) through (C) above, the sum of any accrued and unpaid Interest as of such Installment Date under this Note, if any, accrued and unpaid Late Charges, if any, and Make-Whole Amount under this Note as of such Installment Date. In the event the Holder shall sell or otherwise transfer any portion of this Note, the transferee shall be allocated a pro rata portion of the each unpaid Installment Amount hereunder.

(y) "**Installment Conversion Price**" means the lower of (i) the Conversion Price and (ii) 95% of the lowest VWAP in the ten (10) Trading Days immediately prior to each Installment Date or Conversion Date, as applicable.

(z) "**Installment Date**" means (A) with respect to the first such date, the Initial Installment Date, and (B) with respect to all such dates subsequent to the Initial Installment Date, the same day of each calendar month subsequent to the Initial Installment Date until the Maturity Date. In the event of that the Initial Installment Date is the 31st day of a calendar month, each subsequent Installment Date shall be the last day of the calendar month.

(aa) "**Interest Date**" means, with respect to any given calendar month ending after the Issuance Date and prior to the Maturity Date, the first Trading Day of such calendar month.

(bb) "**Make-Whole Amount**" means, as of any given date and in connection with any conversion, redemption or other repayment hereunder, an amount equal to the amount of additional Interest that would accrue under this Note at the Interest Rate then in effect assuming for calculation purposes that the Principal of this Note as of the Issuance Date remained outstanding through and including the Maturity Date.

(cc) "**Maturity Date**" means the date that is 24 months from the Issuance Date; provided, however, the Maturity Date may be extended at the option of the Holder (i) in the event that, and for so long as, an Event of Default shall have occurred and be continuing or any event shall have occurred and be continuing that with the passage of time and the failure to cure would result in an Event of Default or (ii) through the date that is twenty (20) Business Days after the consummation of a Fundamental Transaction in the event that a Fundamental Transaction is publicly announced or a Change of Control Notice is delivered prior to the Maturity Date, provided further that if a Holder elects to convert some or all of this Note pursuant to Section 3 hereof, and the Conversion Amount would be limited pursuant to Section 3(d) hereunder, the Maturity Date shall automatically be extended until such time as such provision shall not limit the conversion of this Note.

(dd) "**New Subsidiary**" means, as of any date of determination, any Person in which the Company, following the Subscription Date, directly or indirectly, (i) owns or acquires any of the outstanding capital stock or holds any equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person, and all of the foregoing, collectively, "**New Subsidiaries**."

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

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

(gg) "**Permitted Indebtedness**" means (i) Indebtedness evidenced by this Note and the Other Notes, (ii) Indebtedness secured by Permitted Liens or unsecured but as described in clauses (iv) and (v) of the definition of Permitted Liens, and (iii) Indebtedness described in the SEC Documents (as defined in the Securities Purchase Agreement) and otherwise disclosed on Schedule 3(q) to the Securities Purchase Agreement.

(hh) "**Permitted Liens**" means (i) any Lien for taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with the International Financial Reporting Standards, (ii) any statutory Lien arising in the ordinary course of business by operation of law with respect to a liability that is not yet due or delinquent, (iii) any Lien created by operation of law, such as materialmen's liens, mechanics' liens and other similar liens, arising in the ordinary course of business with respect to a liability that is not yet due or delinquent or that are being contested in good faith by appropriate proceedings, (iv) Liens (A) upon or in any equipment acquired or held by the Company or any of its Subsidiaries to secure the purchase price of such equipment or Indebtedness incurred solely for the purpose of financing the acquisition or lease of such equipment, or (B) existing on such equipment at the time of its acquisition, provided that the Lien is confined solely to the property so acquired and improvements thereon, and the proceeds of such equipment, in either case, with respect to Indebtedness in an aggregate amount not to exceed $100,000, (v) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clause (iv) above, provided that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced does not increase, (vi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of custom duties in connection with the importation of goods, (vii) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 4(a)(x) and (viii) any Liens in respect of Permitted Indebtedness.

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

(jj) "**Principal Market**" means The Nasdaq Stock Market LLC.

(kk) "**Redemption Conversion Price**" means, with respect to any given Company Optional Redemption Date, the lower of (i) the Conversion Price as in effect on such Company Optional Redemption Date and (ii) 95% of the lowest VWAP of the shares of Common Stock during the ten (10) consecutive Trading Day period ending and including the Trading Day immediately prior to such Company Optional Redemption Date, all such determinations to be appropriately adjusted for any share split, share dividend, share combination or other similar transaction during any such measuring period.

(ll) "**Redemption Notices**" means, collectively, the Change of Control Redemption Notices, the Company Optional Redemption Notices, the Event of Default Redemption Notices, and the Holder Optional Redemption Notices, and each of the foregoing, individually, a "**Redemption Notice**."

(mm) "**Redemption Premium**" means one hundred and ten percent (110%).

(nn) "**Redemption Prices**" means, collectively, the Change of Control Redemption Prices, the Company Optional Redemption Prices, the Event of Default Redemption Prices, and the Holder Optional Redemption Prices, and each of the foregoing, individually, a "**Redemption Price**."

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

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

(qq) "**Securities Purchase Agreement**" means that certain Securities Purchase Agreement, dated as of the Subscription Date, by and among the Company and the initial Holders pursuant to which the Company issued the Notes, as may be amended from time to time.

(rr) "**Subsidiaries**" means, as of any date of determination, collectively, all Current Subsidiaries and all New Subsidiaries, and each of the foregoing, individually, a "**Subsidiary**."

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

(tt) "**Subsequent Placement**" means any issuance by the Company or any of its Subsidiaries of shares of Common Stock or Common Stock Equivalents for cash consideration, Indebtedness or a combination of units thereof from the date hereof until this Note is no longer outstanding, in a bona fide capital raise.

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

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

(ww) "**Transaction Documents**" shall have the meaning ascribed to such term in the Securities Purchase Agreement.

(xx) "**VWAP**" means, for any security as of any date, the dollar volume-weighted average price for such security on the Principal Market (or, if the Principal Market is not the principal trading market for such security, then on the principal securities exchange or securities market on which such security is then traded), during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg through its "VAP" function (set to 09:30 start time and 16:00 end time) or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30 a.m., New York time, and ending at 4:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported by OTC Markets Group Inc. If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 23. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

32. DISCLOSURE. Upon delivery by the Company to the Holder (or receipt by the Company from the Holder) of any notice in accordance with the terms of this Note, unless the Company has in good faith determined that the matters relating to such notice do not constitute material, non-public information relating to the Company or any of its Subsidiaries, the Company shall on or prior to 9:30 am, New York city time on the Business Day immediately following such notice delivery date, publicly disclose such material, non-public information on a Current Report on Form 8-K or otherwise. In the event that the Company believes that a notice contains material, non-public information relating to the Company or any of its Subsidiaries, the Company so shall indicate to the Holder explicitly in writing in such notice (or immediately upon receipt of notice from the Holder, as applicable), and in the absence of any such written indication in such notice (or notification from the Company immediately upon receipt of notice from the Holder), the Holder shall be entitled to presume that information contained in the notice does not constitute material, non-public information relating to the Company or any of its Subsidiaries.

33. ABSENCE OF TRADING AND DISCLOSURE RESTRICTIONS. The Company acknowledges and agrees that the Holder is not a fiduciary or agent of the Company and that the Holder shall have no obligation to (a) maintain the confidentiality of any information provided by the Company or (b) refrain from trading any securities while in possession of such information in the absence of a written non-disclosure agreement signed by an officer of the Holder that explicitly provides for such confidentiality and trading restrictions. In the absence of such an executed, written non-disclosure agreement, the Company acknowledges that the Holder may freely

trade in any securities issued by the Company, may possess and use any information provided by the Company in connection with such trading activity, and may disclose any such information to any third party.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Company has caused this Convertible Note to be duly executed as of the Issuance Date set out above.

ZSPACE, INC.

By: _____
Name:
Title:

[*Signature Page to Senior Convertible Note*]

EXHIBIT I

ZSPACE, INC.

CONVERSION NOTICE

Reference is made to the Convertible Note (the "**Note**") issued to the undersigned by zSpace, Inc., a company incorporated under the laws of the Cayman Islands (the "**Company**"). In accordance with and pursuant to the Note, the undersigned hereby elects to convert the Conversion Amount (as defined in the Note) of the Note indicated below into shares of Common Stock, $0.0001 par value per share (the "**Common Stock**"), of the Company, as of the date specified below. Capitalized terms not defined herein shall have the meaning as set forth in the Note.

Date of Conversion:
Aggregate Principal to be converted:
Aggregate accrued and unpaid Interest (including Default Interest, if applicable), Make-Whole Amount and accrued and unpaid Late Charges with respect to such portion of the Aggregate Principal and such Aggregate Interest and Aggregate Make-Whole Amount to be converted:
Aggregate Conversion Amount to be Converted:

Please confirm the following information:
Conversion Price:
Number of shares of Common Stock to be issued:

Please issue the shares of Common Stock into which the Note is being converted to Holder, or for its benefit, as follows:

☐ Check here if requesting delivery as a certificate to the following name and to the following address:

Issue to: _____

☐ Check here if requesting delivery by Deposit/Withdrawal at Custodian as follows:

DTC Participant:_____

DTC Number:_____

Account Number:_____

Date: _____ __, ____

[Name of Registered Holder]

By:_____

Name:_____

Title:_____

Tax ID:_____

E-Mail Address:_____

Exhibit 10.1

Execution Version

SECURITIES PURCHASE AGREEMENT

This **SECURITIES PURCHASE AGREEMENT** (this "**Agreement**"), dated as of April 10, 2025 (the "**Subscription Date**"), is by and among zSpace, Inc., a Delaware corporation with offices located at 55 Nicholson Lane, San Jose, CA 95134 (the "**Company**"), and each of the investors listed on the Schedule of Buyers attached hereto (the "**Schedule of Buyers**") (individually, a "**Buyer**" and, collectively, the "**Buyers**" and, together with the Company, the "**Parties**").

RECITALS

A. The Company and each Buyer are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), and Rule 506(b) of Regulation D ("**Regulation D**") as promulgated by the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act.

B. The Company has authorized a new series of senior convertible notes of the Company in the aggregate original principal amount of up to $21,505,377, substantially in the form attached hereto as **Exhibit A** (the "**Notes**"), which Notes shall be convertible into shares of Common Stock (as defined below) in certain circumstances in accordance with the terms of the Notes at an initial conversion price per share equal to 125% of the Nasdaq Official Closing Price of the Trading Day (as defined below) immediately prior to the applicable Closing Date (as defined below) (the shares of Common Stock issuable pursuant to the terms of the Notes, the "**Conversion Shares**").

C. Each Buyer desires to purchase, and the Company desires to issue and sell, upon the terms and conditions stated in this Agreement, a Note in the aggregate original principal amount set forth opposite such Buyer's name in column (3) on the Schedule of Buyers.

D. At the First Closing (as defined below), the Parties shall execute and deliver a Security Agreement, in the form attached hereto as **Exhibit B** (the "**Security Agreement**"), reflecting the grant of security interests by the Company and its domestic subsidiaries in the Collateral (as described in the Security Agreement) to secure the obligations of the Company under the Notes and the other Transaction Documents.

E. At the First Closing, the Parties shall execute and deliver a registration rights agreement, substantially in the form attached hereto as **Exhibit C** (the "**Registration Rights Agreement**"), pursuant to which the Company shall agree to provide certain registration rights with respect to the Registrable Securities (as defined in the Registration Rights Agreement) under the Securities Act and the rules and regulations promulgated thereunder and applicable state securities laws.

F. At the First Closing, the Company shall deliver the executed voting agreement, substantially in the form attached hereto as **Exhibit D** (the "**Voting Agreement**"), pursuant to which certain shareholders of the Company shall agree to vote in favor of Stockholder Approval (as defined below).

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each Buyer hereby agree as follows:

1. PURCHASE AND SALE OF NOTES.

(a) Purchase and Sale of Notes. Subject to the satisfaction (or waiver) of the conditions set forth in Sections 6 and 7 below, the Company shall issue and sell to each Buyer, and each Buyer severally, but not jointly, agrees to purchase from the Company on the First Closing Date (as defined below) a Note (the "**First Note**") in the original principal amount as set forth opposite such Buyer's name in column (3) on the Schedule of Buyers for the purchase price as set forth opposite such Buyer's name in column (4) (the "**First Closing**").

(b) Closings.

(i) First Closing. The First Closing shall take place electronically. The date and time of the First Closing (the "**First Closing Date**") shall be 10:00 a.m., New York time, no later than the second (2^{nd}) Business Day on which the conditions to the First Closing set forth in Sections 6 and 7 are satisfied or waived (or such other date as is mutually agreed to by the Company and each Buyer). "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

(ii) Second Closing.

(A) Subject to the satisfaction (or express waiver by each Buyer) of (i) the conditions set forth in Sections 6 and 7 and (ii) the Additional Funding Conditions (as defined below), the Company shall have the right to require each Buyer to purchase, and such Buyer shall have the right to require the Company to sell and issue, a second Note (the "**Second Note**") in one additional closing (the "**Second Closing**" and together with the First Closing, the "**Closings**") for the purchase price as set forth opposite such Buyer's name in column (5) on the Schedule of Buyers corresponding to the Second Closing on the same terms and conditions as the First Closing, which shall occur at the same time of day and location as the First Closing by delivering to each Buyer or the Company, as applicable, an irrevocable written notice (a "**Second Closing Notice**") that the Company or such Buyer shall have exercised its right to require the other Party to consummate the Second Closing for the purchase and sale of the Second Note. The Second Note shall be substantially in the form attached hereto as Exhibit A except that under the Second Note, (a) the Maturity Date (as defined therein) shall be the later of the 12-month anniversary of the issuance date of the Second Note and the Maturity Date under the First Note and (b) the Installment Amount shall be based on 1/9 (one-nineth) of the original principal amount of the Second Note. The date of the Second Closing (the "**Second Closing Date**" and together with the First Closing Date, a "**Closing Date**") shall be the date identified in the Second Closing Notice, which shall be a Business Day not less than three (3) Business Days following the date of the Second Closing Notice. "**Additional Funding Conditions**" means (a) the satisfaction as of the Second Closing Date of the Equity Conditions (as defined in the Notes) other than clauses (k) and (l) thereof, (b) the Initial Registration Statement (as defined in the Registration Rights Agreement) shall have been declared effective by the SEC (and with respect to which no stop order has been issued), (c) the then remaining principal amount of the First Note shall be no higher than $3,000,000, (d) the Nasdaq Official Closing Price of a share of Common Stock of each Trading Day over the twenty (20) Trading Day period immediately prior to the Second Closing Date shall be $2.50 or higher (adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions that occur with respect to the shares of Common Stock after the Subscription Date), (e) the daily trading volume of the shares of Common Stock on the Trading Market for each Trading Day during the twenty (20) Trading Day period immediately prior to the Second Closing Date shall be $150,000 or higher, (f) a Registration Statement (as defined in the Registration Rights Agreement) covering the Conversion Shares underlying the Second Note shall have been declared effective by the SEC (and with respect to which no stop order has been issued) and (g) there shall have been no existing event which, with the passage of time or the giving of notice, would constitute an Event of Default (as defined in the Notes).

(B) The Second Closing Notice shall state (A) that, unless such notice is being delivered by a Buyer, the Initial Registration Statement has been declared effective by the SEC (and with respect to which no stop order has been issued); (B) the date and time of the Second Closing; and (C) that all the conditions to the Second Closing set forth in this Section 1(b)(ii), and Sections 6 and 7 are satisfied or will be satisfied (or waived in writing) at the Second Closing. Subject to compliance with the applicable federal securities laws, the Company and each Buyer may mutually agree on such other date and time for a Second Closing. Notwithstanding anything herein to the contrary and unless mutually agreed otherwise by the Parties, if the Second Closing has not occurred by the 18-month anniversary of the Subscription Date, the right to effect the Second Closing hereunder by the Company or each Buyer shall automatically terminate.

(c) Purchase Price. The aggregate purchase price to be paid by each Buyer for the Notes in each Closing shall be the amount set forth opposite such Buyer's name in column (4) on the Schedule of Buyers corresponding to the applicable Closing (the "**Purchase Price**").

(d) Form of Payment. On each Closing Date, each Buyer shall pay its respective Purchase Price (less, in the case of any Buyer, the amounts withheld pursuant to Section 4(g)) to the Company for the Note to be issued and sold to such Buyer at such Closing by wire transfer of immediately available funds in accordance with the Flow of Funds Letter (as defined below). Upon receipt of payment, the Company shall deliver to each Buyer a Note in the aggregate original principal amount as set forth opposite such Buyer's name in column (3) of the Schedule of Buyers, with such Note duly executed by the Company and registered in the name of such Buyer or its designee.

2. REPRESENTATIONS AND WARRANTIES OF THE BUYERS.

Each Buyer, severally and not jointly, represents and warrants to the Company with respect to only itself that, as of the Subscription Date and as of each Closing Date:

(a) Organization; Authority. Such Buyer is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents (as defined below) to which it is a party and otherwise to carry out its obligations hereunder and thereunder.

(b) No Public Sale or Distribution. Such Buyer (i) is acquiring the Note, and (ii) upon conversion of its Note shall acquire the Conversion Shares issuable upon conversion thereof, for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof in violation of applicable securities laws, except pursuant to sales registered or exempted under the Securities Act; provided, however, by making the representations herein, such Buyer does not agree, or make any representation or warranty, to hold any of the Securities for any minimum or other specific term and reserves the right to dispose of the Securities at any time in accordance with or pursuant to a registration statement or an exemption from registration under the Securities Act. Such Buyer does not presently have any agreement or understanding, directly or indirectly, with any Person to distribute any of the Securities in violation of applicable securities laws. For purposes of this Agreement, "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any Governmental Entity (as defined below) or any department or agency thereof.

(c) Accredited Investor Status. Such Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D.

(d) Reliance on Exemptions. Such Buyer understands that the Notes are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire the Securities.

(e) Information. Such Buyer and its advisors, if any, have been furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the Notes that have been requested by such Buyer. Such Buyer and its advisors, if any, have been afforded the opportunity to ask questions of the Company. Neither such inquiries nor any other due diligence investigations conducted by such Buyer or its advisors, if any, or its representatives shall modify, amend or affect such Buyer's right to rely on the Company's representations and warranties contained herein. Such Buyer understands that its investment in the Securities involves a high degree of risk. Such Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(f) No Governmental Review. Such Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Securities or the fairness or suitability of the investment in the Securities nor have such authorities passed upon or endorsed the merits of the offering of the Securities.

(g) Transfer or Resale. Such Buyer understands that, except as provided in the Registration Rights Agreement and Section 4(h) hereof: (i) the Securities have not been and are not being registered under the Securities Act or any state securities laws,

and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Buyer shall have delivered to the Company (if requested by the Company) an opinion of counsel, in a form reasonably acceptable to the Company, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Buyer provides the Company with reasonable assurance that such Securities can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the Securities Act (or a successor rule thereto) (collectively, "**Rule 144**"); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC promulgated thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder. 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 and such pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Buyer effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document, including, without limitation, this Section 2(g).

(h) Validity; Enforcement. This Agreement and each of the other Transaction Documents to which such Buyer is a party, has been duly and validly authorized, executed and delivered on behalf of such Buyer and shall constitute the legal, valid and binding obligations of such Buyer enforceable against such Buyer in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(i) No Conflicts. The execution, delivery and performance by such Buyer of this Agreement and each of the other Transaction Documents to which such Buyer is a party, and the consummation by such Buyer of the transactions contemplated hereby and thereby shall not (i) result in a violation of the organizational documents of such Buyer, or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which such Buyer is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to such Buyer, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which could not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of such Buyer to perform its obligations hereunder.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each of the Buyers that, as of the Subscription Date and as of each Closing Date:

(a) Organization, Good Standing and Power. The Company and each of the Subsidiaries are entities 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 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 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. The Company has made available via the SEC's Electronic Data Gathering, Analysis and Retrieval System ("**EDGAR**") true and correct copies of the Company's certificate of incorporation as amended and/or restated as of the Subscription Date and each Closing Date, as applicable (the "**Charter**"). "**Material Adverse Effect**" means (i) any condition, occurrence, state of facts or event having, or insofar as reasonably can be foreseen would likely have, any material adverse effect on the legality, validity or enforceability of the Transaction Documents or the transactions contemplated thereby, (ii) any condition, occurrence, state of facts or event having, or insofar as reasonably can be foreseen would likely have, any effect on the business, operations, properties, financial condition, or prospects of the Company that is material and adverse to the Company and its Subsidiaries, taken as a whole, and/or (iii) any condition, occurrence, state of facts or event that would, or insofar as reasonably can be foreseen would likely, prohibit or otherwise materially interfere with or delay the ability of the Company to perform any of its obligations under the Transaction Documents; provided, however, that no facts, circumstances,

changes or effects exclusively and directly resulting from, relating to or arising out of the following, individually or in the aggregate, shall be taken into account in determining whether a Material Adverse Effect has occurred or insofar as reasonably can be foreseen would likely occur: (A) changes in conditions in the U.S. or global capital, credit or financial markets generally, including changes in the availability of capital or currency exchange rates, provided such changes shall not have affected the Company in a materially disproportionate manner as compared to other similarly situated companies; (B) changes generally affecting the industries in which the Company and its Subsidiaries operate, provided such changes shall not have affected the Company and its Subsidiaries, taken as a whole, in a materially disproportionate manner as compared to other similarly situated companies; (C) any effect of the announcement of, or the consummation of the transactions contemplated by, the Transaction Documents on the Company's relationships, contractual or otherwise, with customers, suppliers, vendors, bank lenders, strategic venture partners or employees; (D) changes arising in connection with earthquakes, pandemics, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such pandemic, hostilities, acts of war, sabotage or terrorism or military actions existing as of the Subscription Date and each Closing Date, as applicable; (E) any action taken by the Buyers with respect to the transactions contemplated by this Agreement; and (F) the effect of any changes in applicable laws or accounting rules, provided such changes shall not have affected the Company in a materially disproportionate manner as compared to other similarly situated companies. "**Subsidiaries**" means any Person in which the Company, directly or indirectly, (x) owns any of the outstanding capital stock or holds any equity or similar interest of such Person or (y) controls or operates all or any part of the business, operations, or administration of such Person, and each of the foregoing, is individually referred to herein as a "**Subsidiary**."

(b) Authorization; Enforcement; Validity. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to offer, issue, and sell the Securities in accordance with the terms hereof and thereof. Each Subsidiary has the requisite power and authority to enter into and perform its obligations under the Transaction Documents to which it is a party. The execution and delivery of this Agreement and the other Transaction Documents by the Company and its Subsidiaries, and the consummation by the Company and its Subsidiaries of the transactions contemplated hereby and thereby (including, without limitation, the offer, issuance, and sale of the Securities and the reservation for issuance and issuance of the Conversion Shares issuable upon conversion of the Notes) have been duly authorized by the Company's board of directors and each of its Subsidiaries' board of directors or other governing body, as applicable, and (other than the filing of a Form D with the SEC, the filing of one or more registration statements pursuant to the Registration Rights Agreement and any other filings as may be required by any state securities agencies) no further filing, consent or authorization is required by the Company, its Subsidiaries, their respective boards of directors or their stockholders or other governing body in connection with the offer, issuance, and sale of the Securities. This Agreement has been, and the other Transaction Documents to which it is a party shall be, duly executed and delivered by the Company, and each constitutes the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law. Prior to each Closing, the Transaction Documents to which each Subsidiary is a party shall be duly executed and delivered by each such Subsidiary, and shall constitute the legal, valid and binding obligations of each such Subsidiary, enforceable against each such Subsidiary in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law. "**Transaction Documents**" means, collectively, this Agreement, the Notes, the Security Agreement, the Registration Rights Agreement, the Voting Agreement, the Irrevocable Transfer Agent Instructions (as defined below) and each of the other agreements and instruments entered into or delivered by any of the Parties in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

(c) Capitalization. The authorized capital stock of the Company and the shares thereof issued and outstanding were as set forth Schedule 3(c) as of the dates reflected therein. As of the date hereof, the authorized capital stock of the Company consists of (A) 100,000,000 shares of Common Stock, of which 22,849,378 shares of Common have been issued and outstanding, of which an aggregate of 8,800,192 shares of Common Stock are reserved for issuance pursuant to Convertible Securities (as defined below) and (B) 5,000,000 shares of Preferred Stock, none of which are issued and outstanding. All of the outstanding shares of Common Stock have been duly authorized and validly issued, and are fully paid and non-assessable. Except as set forth on Schedule 3(c), there are no agreements or arrangements under which the Company is obligated to register the sale of any securities under the Securities Act. Except as set forth in Schedule 3(c), no shares of Common Stock are entitled to preemptive rights and there are no outstanding debt securities and no contracts, commitments, understandings, or arrangements by which the Company is or may become bound to issue

additional shares of the capital stock of the Company or rights, warrants, or options to subscribe for or purchase shares of Common Stock or Convertible Securities (as defined below) (collectively, "**Options**"), calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, any shares of capital stock of the Company other than those issued or granted in the ordinary course of business pursuant to the Company's equity incentive and/or compensatory plans or arrangements. Except as set forth in Schedule 3(c) and except for customary transfer restrictions contained in agreements entered into by the Company to sell restricted securities, the Company is not a party to, and it has no Knowledge (as defined below) of, any agreement restricting the voting or transfer of any outstanding shares of the capital stock of the Company. The offer and sale of all capital stock, Convertible Securities or Options of the Company issued prior to the Subscription Date or each Closing Date, as applicable, complied, in all material respects, with all applicable federal and state securities laws, and no stockholder has any right of rescission or damages or any "put" or similar right with respect thereto that would have a Material Adverse Effect. Except as set forth in Schedule 3(c), there are no securities or instruments containing anti-dilution or similar provisions that shall be triggered by this Agreement or the consummation of the transactions described herein or therein. "**Common Stock**" means (i) the Company's shares of common stock, $0.0001 par value per share, and (ii) any capital stock into which such common stock shall have been changed or any share capital resulting from a reclassification of such shares of common stock. "**Knowledge**" means the actual knowledge of any of (A) the Company's Chief Executive Officer, and (B) the Company's Chief Financial Officer, in each case after reasonable inquiry of all officers, directors and employees of the Company and its Subsidiaries under such Person's direct supervision who would reasonably be expected to have knowledge or information with respect to the matter in question. "**Convertible Securities**" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, shares of Common Stock).

(d) Issuance of Conversion Shares. The Conversion Shares, when issued upon conversion of the Notes, shall be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, mortgages, defects, claims, liens, pledges, charges, taxes, rights of first refusal, encumbrances, security interests and other encumbrances (collectively "**Liens**") with respect to the issuance thereof, with the holders being entitled to all rights accorded to a holder of shares of Common Stock. As of each Closing, the Company shall have reserved from its duly authorized capital stock not less than the product of (i) one hundred percent (100%) and (ii) the maximum number of Conversion Shares issuable upon conversion of the Notes based on the Floor Price (as defined in the Notes) (the "**Required Reserve Amount**"). Subject to the accuracy of the representations and warranties of the Buyers in this Agreement, the offer and issuance by the Company of the Notes is exempt from registration under the Securities Act.

(e) No Conflicts. The execution, delivery and performance by the Company of the Transaction Documents and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Notes and the reservation for the Conversion Shares) do not and shall not (i) result in a violation of any provision of the Charter, (ii) result in a breach or violation of any of the terms or provisions of, constitute a default (or an event which, with notice or lapse of time or both, would become a default) in any respect under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its Subsidiaries is a party, (iii) create or impose a Lien, charge or encumbrance on any property or assets of the Company or any of its Subsidiaries under any agreement or any commitment to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of their respective properties or assets is subject, or (iv) result in a violation of any federal, state, local or foreign statute, rule, regulation, order, judgment or decree applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries are bound or affected (including federal and state securities laws and regulations and the listing rules of the Nasdaq Stock Market LLC (the "**Trading Market**")), except, in the case of clauses (ii), (iii) and (iv), for such conflicts, defaults, terminations, amendments, acceleration, cancellations, liens, charges, encumbrances and violations as would not, individually or in the aggregate, have a Material Adverse Effect.

(f) Consents. Other than (i) the filing with the SEC of one or more registration statements pursuant to the Registration Rights Agreement, (ii) the filing of a Form D with the SEC, and (iii) any other filings as may be required by any state securities agencies, (iii) any application or notification to the Trading Market required in connection with the issuance and sales of the Notes and (iv) the filing with the SEC of such reports under the Exchange Act as may be required in connection with the Transaction Documents and the consummation by the Company of the transactions contemplated hereby and thereby, the Company nor any Subsidiary is required to obtain any consent from, authorization or order of, or make any filing or registration with any Governmental Entity (as defined below) or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company or any Subsidiary is required to obtain on or prior to each Closing Date pursuant

to the preceding sentence have been obtained or will be obtained on or prior to each Closing Date, and neither the Company nor any of its Subsidiaries are aware of any facts or circumstances which might prevent the Company or any of its Subsidiaries from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents. The Company is not in violation of the requirements of the Trading Market and has no Knowledge of any facts or circumstances which might lead to delisting or suspension of the shares of Common Stock. "**Governmental Entity**" means any nation, state, county, city, town, village, district, or other political jurisdiction of any nature, federal, state, local, municipal, foreign, or other government, governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), multi-national organization or body; or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature or instrumentality of any of the foregoing, including any entity or enterprise owned or controlled by a government or a public international organization or any of the foregoing.

(g) Acknowledgment Regarding Buyer's Purchase of Notes. The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's-length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby and that no Buyer is (i) an officer or director of the Company or any of its Subsidiaries, (ii) an "affiliate" (as defined in Rule 144) of the Company or any of its Subsidiaries, or (iii) to its Knowledge, a "beneficial owner" of more than ten percent (10%) of the shares of Common Stock (as defined for purposes of Rule 13d-3 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "**Exchange Act**")). The Company further acknowledges that no Buyer is acting as a financial advisor or fiduciary of the Company or any of its Subsidiaries (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and any advice given by a Buyer or any of its representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby is merely incidental to such Buyer's purchase of the Notes. The Company further represents to each Buyer that the Company's and each Subsidiary's decision to enter into the Transaction Documents to which it is a party has been based solely on the independent evaluation by the Company, each Subsidiary and their respective representatives.

(h) Reserved.

(i) No General Solicitation; Placement Agent Fees. Neither the Company, nor any of its Subsidiaries or Affiliates (as defined in the Notes), nor any Person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Notes. The Company shall be responsible for the payment of any placement agent fees, financial advisory fees, or brokers' commissions (other than for Persons engaged by any Buyer or its investment advisor) relating to or arising out of the transactions contemplated hereby, in connection with the sale of the Notes. The Company shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, attorneys' fees and out-of-pocket expenses) arising in connection with any such claim. Neither the Company nor any of its Subsidiaries has engaged any placement agent or other agent in connection with the offer or sale of the Notes.

(j) No Integrated Offering. None of the Company, its Subsidiaries or any of their respective Affiliates, nor any Person acting on their behalf has, directly or indirectly, sold, offered for sale, or solicited any offers to buy or otherwise negotiated in respect of any security (as defined in the Securities Act) which shall be integrated with the sale of the Notes in a manner which would require registration of the Securities under the Securities Act, whether through integration with prior offerings or otherwise, or cause this offering of the Securities to require approval of stockholders of the Company for purposes of the Securities Act or under any applicable stockholder approval provisions, including, without limitation, under the listing rules of the Trading Market. None of the Company, the Subsidiaries, their Affiliates, nor any Person acting on their behalf shall take any action or steps that would require registration of the issuance of any of the Securities under the Securities Act or cause the offering of any of the Securities to be integrated with other offerings of securities of the Company.

(k) Dilutive Effect. The Company understands and acknowledges that the issuance of 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 the number of Conversion Shares shall increase in certain circumstances as described in the Notes, and that the Company has an unconditional and absolute obligation to issue the Conversion Shares in accordance with the terms of this Agreement and the Notes, without any right of set off, counterclaim, delay, or reduction, regardless of the dilutive effect that such issuance may have on the ownership interests of other stockholders of the Company, and regardless of any claim the Company may have against any Buyer.

(l) Application of Takeover Protections; Rights Agreement. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, poison pill (including, without limitation, any distribution under a rights agreement), stockholder rights plan or other similar anti-takeover provision under the Charter or other organizational documents or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable to any Buyer as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of the Securities and any Buyer's ownership of the Securities. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of shares of Common Stock or a change in control of the Company or any of its Subsidiaries.

(m) SEC Documents; Financial Statements.

(i) Since December 4, 2024, the Company has timely filed all reports, schedules, forms, statements and other documents required to be filed with or furnished to the SEC by the Company under the Securities Act or the Exchange Act, including those required to be filed with or furnished to the SEC under Section 13(a) or Section 15(d) of the Exchange Act (all of the foregoing filed prior to the Subscription Date or each Closing Date, as applicable, and all exhibits and appendices included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "**SEC Documents**"). As of the Subscription Date or each Closing Date, as applicable, no Subsidiary of the Company is required to file or furnish any report, schedule, registration, form, statement, information or other document with the SEC. As of its filing date, each SEC Document filed with or furnished to the SEC complied in all material respects with the requirements of the Securities Act or the Exchange Act, as applicable, and other federal, state and local laws, rules and regulations applicable to it, and, as of its filing date (or, if amended or superseded by a filing prior to the Subscription Date or each Closing Date, as applicable, on the date of such amended or superseded filing), such SEC Document did 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, not misleading. Each SEC Document to be filed with or furnished to the SEC after the Subscription Date or each Closing Date, as applicable, including, without limitation, the 8-K Filing (as defined below), when such document is filed with or furnished to the SEC and, if applicable, when such document becomes effective, as the case may be, shall comply in all material respects with the requirements of the Securities Act or the Exchange Act, as applicable, and other federal, state and local laws, rules and regulations applicable to it, and shall 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, not misleading. There are no outstanding or unresolved comments received by the Company from the SEC. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company under the Securities Act or the Exchange Act.

(ii) The consolidated financial statements of the Company included or incorporated by reference in the SEC Documents filed with or furnished to the SEC, together with the related notes and schedules, present fairly, in all material respects, the consolidated financial position of the Company and the consolidated Subsidiaries as of the dates indicated and the consolidated results of operations, cash flows and changes in stockholders' equity of the Company and the consolidated Subsidiaries for the periods specified (subject, in the case of unaudited statements, to normal year-end audit adjustments which shall not be material, either individually or in the aggregate) and have been prepared in compliance with the published requirements of the Securities Act and Exchange Act, as applicable, and in conformity with the generally accepted accounting principles of the United States ("**GAAP**") applied on a consistent basis (except (A) for such adjustments to accounting standards and practices as are noted therein and (B) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) during the periods involved. The pro forma financial statements or data included or incorporated by reference in the SEC Documents filed with or furnished to the SEC comply with the requirements of Regulation S-X of the Securities Act, including, without limitation, Article 8 or Article 11 thereof, as applicable, and the assumptions used in the preparation of such pro forma financial statements and data are reasonable, the pro forma adjustments used therein are appropriate to give effect to the circumstances referred to therein and the pro forma adjustments have been properly applied to the historical amounts in the compilation of those statements and data. The other financial and statistical data with respect to the Company and Subsidiaries contained or incorporated by reference in the SEC Documents filed with or furnished to the SEC, if any, are accurately and fairly presented and prepared on a basis consistent with the financial statements and books and records of the Company. There are no financial statements (historical or pro forma) that are required to be included or incorporated by reference in the SEC Documents filed with or furnished to the SEC that are not included or incorporated by reference as required. The Company and Subsidiaries do not have any material liabilities or obligations, direct or contingent (including

any off-balance sheet obligations or any "variable interest entities" as that term is used in Accounting Standards Codification Paragraph 810-10-25-20), not described in the SEC Documents that are required to be described or incorporated by reference in the SEC Documents. All disclosures contained in the SEC Documents, if any, regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the SEC) comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Securities Act, to the extent applicable. The reserves, if any, established by the Company or the lack of reserves, if applicable, are reasonable based upon facts and circumstances known by the Company on the Subscription Date or each Closing Date, as applicable, and there are no loss contingencies that are required to be accrued by the Statement of Financial Accounting Standard No. 5 of the Financial Accounting Standards Board which are not provided for by the Company in its financial statements or otherwise. The Company is not currently contemplating to amend or restate any of the financial statements included in the SEC Documents (including, without limitation, any notes or any letter of the independent accountants of the Company with respect thereto), nor is the Company currently aware of facts or circumstances which would require the Company to amend or restate any such financial statements, in each case, in order for any of such financials statements to be in compliance with GAAP and the rules and regulations of the SEC. The Company has not been informed by its independent accountants that they recommend that the Company amend or restate any of the financial statements included in the SEC Documents or that there is any need for the Company to amend or restate any such financial statements.

(iii) Except as set forth in the SEC Documents, the Company and 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 Company 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 Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and 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. Since December 31, 2023, 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 adversely affected, or is reasonably likely to materially adversely affect, the internal control over financial reporting of the Company and its Subsidiaries.

(iv) The Company has timely filed with the SEC and made available via EDGAR all certifications and statements required by (a) Rule 13a-14 or Rule 15d-14 under the Exchange Act or (b) 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002 ("**SOXA**")) with respect to all relevant SEC Documents. The Company and each Subsidiary is in compliance in all material respects with the provisions of SOXA applicable to it as of the Subscription Date or each Closing Date, as applicable. The Company maintains disclosure controls and procedures required by Rule 13a-15 or Rule 15d-15 under the Exchange Act; such controls and procedures are effective to ensure that all material information concerning the Company and its Subsidiaries is made known on a timely basis to the individuals responsible for the timely and accurate preparation of the SEC Documents and other public disclosure documents.

(v) BDO USA, P.C. (the "**Auditor**"), whose report on the balance sheets of the Company as of December 31, 2023 and 2022, the related statement of operations, stockholders' equity (deficit), and cash flows for each of the two years then ended, and the related notes, is filed with the Company's registration statement on Form S-1, as amended (File No. 333-280427) (the "**IPO S-1**", are and, during the periods covered by their report, were independent public accountants within the meaning of the Securities Act and the Public Company Accounting Oversight Board (United States). To the Company's Knowledge, the Auditor is not in violation of the auditor independence requirements of SOXA with respect to the Company.

(vi) There is no failure on the part of the Company or, to the Knowledge of the Company, any of the Company's directors or officers, in their capacities as such, to comply in all material respects with any applicable provisions of SOXA and the rules and regulations promulgated thereunder. Each of the principal executive officer and the principal financial officer of the Company (or each former principal executive officer of the Company and each former principal financial officer of the Company as applicable) has made all certifications required by Sections 302 and 906 of SOXA with respect to all periodic reports required to be filed by it with the SEC during the past twelve (12) months. For purposes of the preceding sentence, "principal executive

officer" and "principal financial officer" shall have the meanings given to such terms in the Exchange Act Rules 13a-15 and 15d-15.

(n) Subsidiaries. Schedule 3(n) identifies each Subsidiary of the Company as of the Subscription Date or each Closing Date, as applicable, other than those that may be omitted pursuant to Item 601 of Regulation S-K. No Subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary of the Company, except as described or incorporate by reference in, or contemplated by, the SEC Documents, or as would not reasonably be expected to have a Material Adverse Effect.

(o) No Material Adverse Effect. Since September 30, 2024: (i) the Company has not experienced or suffered any Material Adverse Effect, and there exists no current state of facts, condition or event which would have a Material Adverse Effect; (ii) there has not occurred any material adverse change, or any development that would reasonably be expected to result in a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company from that disclosed or incorporated by reference in the SEC Documents; (iii) neither the Company nor any of its Subsidiaries has incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (iv) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (v) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company.

(p) No Undisclosed Liabilities, Events, or Circumstances. Neither the Company nor any of its Subsidiaries has any liabilities, obligations, claims or losses (whether liquidated or unliquidated, secured or unsecured, absolute, accrued, contingent or otherwise) that would be required to be disclosed on a balance sheet of the Company or any Subsidiary (including the notes thereto) in conformity with GAAP, other than those incurred in the ordinary course of the Company's or its Subsidiaries' respective businesses since September 30, 2024 and which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. No event, liability, development or circumstance has occurred or exists, or is reasonably expected to occur or exist, with respect to the Company, any of its Subsidiaries or any of their respective businesses, properties, liabilities, prospects, operations (including results thereof) or condition (financial or otherwise), that (i) would be required to be disclosed by the Company under applicable securities laws in the SEC Documents, which has not been disclosed or incorporated by reference in the SEC Documents, or (ii) would reasonably be expected to have a Material Adverse Effect.

(q) Indebtedness. Schedule 3(q) attached hereto sets forth, as of the Subscription Date or each Closing Date, as applicable, all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments through such date. For the purposes of this Agreement, "**Indebtedness**" shall mean, with respect to any Person as of any time, without duplication, (a) any liabilities for borrowed money or amounts owed (other than trade accounts payable incurred in the ordinary course of business), (b) all guaranties, endorsements, indemnities and other contingent obligations in respect of Indebtedness of others, whether or not the same are or should be reflected in the Company's balance sheet (or the notes thereto), except guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; and (c) the present value of any lease payments due under leases required to be capitalized in accordance with GAAP. Except as set forth on Schedule 3(q), there is no existing or continuing default or event of default in respect of any Indebtedness of the Company or any of its Subsidiaries. The Company has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any bankruptcy law or law for the relief of debtors, nor does the Company have any Knowledge that its creditors intend to initiate involuntary bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors. Upon the sale and purchase of the Notes, the Company is financially solvent and is generally able to pay its debts as they become due.

(r) Title to Assets. Each of the Company and its Subsidiaries has good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company, in each case free and clear of all Liens, encumbrances and defects, or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company and its Subsidiaries; and any real property and buildings held under lease by the Company or any of its Subsidiaries are held by it under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere in any material respect with the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

(s) Actions Pending. There are no Actions (as defined below) pending or, to the Company's Knowledge, threatened against the Company or any Subsidiary or their respective assets or properties (i) other than Actions and proceedings that would not have a Material Adverse Effect on the Company and its Subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by this Agreement, or (ii) that are required to be described in the SEC Documents and are not so described; and there are no statutes, regulations, contracts or other documents that are required to be described in the SEC Documents, or to be filed as exhibits to the SEC Documents, that are not so described or filed. "**Action**" means any action, lawsuit, complaint, claim, petition, suit, audit, examination, assessment, arbitration, mediation or inquiry, or any proceedings or investigation, by or before any Governmental Entity.

(t) Compliance with Law. The business of the Company and Subsidiaries has been and is presently being conducted in compliance with all applicable federal, state, local and foreign governmental laws, rules, regulations and ordinances, except for such non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is in violation of any judgment, decree or order or any statute, ordinance, rule or regulation of any Governmental Entity applicable to the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries shall conduct its business in violation of any of the foregoing, except in all cases for any such violations which would not, individually or in the aggregate, have a Material Adverse Effect.

(u) Certain Fees. Except as set forth in Schedule 3(u), no brokers, finders or financial advisory fees or commissions is or shall be payable by the Company or any Subsidiary (or any of their respective Affiliates) with respect to the transactions contemplated by the Transaction Documents. Except as set forth in Schedule 3(u), there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or the Buyers for a brokerage commission, finder's fee or other like payment in connection with the transactions contemplated by the Transaction Documents, or, to the Company's Knowledge, any arrangements, agreements, understandings, payments or issuance with respect to the Company or any of its officers, directors, stockholders, partners, employees, Subsidiaries or Affiliates that may affect the Financial Industry Regulatory Authority's ("**FINRA**") determination of the amount of compensation to be received by any FINRA member or person associated with any FINRA member in connection with the transactions contemplated by this Agreement. Except as set forth in Schedule 3(u), no "items of value" (within the meaning of FINRA Rule 5110) have been received, and no arrangements have been entered into for the future receipt of any items of value, from the Company or any of its officers, directors, stockholders, partners, employees, Subsidiaries or Affiliates by any FINRA member or person associated with any FINRA member, during the period commencing one hundred and eighty (180) days immediately preceding the Subscription Date or each Closing Date, as applicable, and ending on the date this Agreement is terminated in accordance with the terms hereof, that may affect the FINRA's determination of the amount of compensation to be received by any FINRA member or person associated with any FINRA member in connection with the transactions contemplated by the Transaction Documents.

(v) Operation of Business.

(i) The Company and the Subsidiaries possess or have obtained, all licenses, certificates, consents, orders, approvals, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign Governmental Entity that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as currently conducted, as described in the SEC Documents (the "**Permits**"), except where the failure to possess, obtain or make the same would not, individually or in the aggregate, have a Material Adverse Effect. Neither the Company nor any Subsidiary has received written notice of any proceeding relating to revocation or modification of any such Permit or has any reason to believe that such Permit shall not be renewed in the ordinary course, except where the failure to obtain any such renewal would not, individually or in the aggregate, have a Material Adverse Effect. This Section 3(v) does not relate to environmental matters, such items being the subject of Section 3(w).

(ii) Except as set forth on Schedule 3(v)(ii), the Company and its Subsidiaries own or possess adequate enforceable rights to use all patents, patent applications, trademarks (both registered and unregistered), trade names, trademark registrations, service marks, service mark registrations, Internet domain name registrations, copyrights, copyright registrations, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) (collectively, the "**Intellectual Property**"), necessary for the conduct of their respective businesses as conducted as of the Subscription Date or each Closing Date, as applicable, except to the extent that the failure to own or possess adequate rights to use such Intellectual Property would not, individually or in the aggregate, reasonably be expected to have a Material

Adverse Effect. The Company and its Subsidiaries have not received any written notice of any claim of infringement or conflict which asserted Intellectual Property rights of others, which infringement or conflict, if the subject of an unfavorable decision, would result in a Material Adverse Effect. There are no pending, or to the Company's Knowledge, threatened judicial proceedings or interference proceedings challenging the Company's or any of its Subsidiaries' rights in or to or the validity of the scope of any of the Company's or its Subsidiaries' Intellectual Property. No other Person has any right or claim in any of the Company's or any of its Subsidiaries' Intellectual Property by virtue of any contract, license or other agreement entered into between such Person and the Company or any of its Subsidiaries or by any non-contractual obligation, other than by written licenses granted by the Company or any of its Subsidiaries. Neither the Company nor any of its Subsidiaries has received any written notice of any claim challenging the rights of the Company or any of its Subsidiaries in or to any Intellectual Property owned, licensed or optioned by the Company or any of its Subsidiaries, which claim, if the subject of an unfavorable decision, would result in a Material Adverse Effect.

(w) Environmental Compliance. The Company and Subsidiaries (i) are in compliance with any and all applicable federal, state, local and foreign laws, rules, regulations, decisions and orders relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "**Environmental Laws**"); (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses as described in the SEC Documents; and (iii) have not received notice of any actual or potential liability for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except, in the case of any of clauses (i), (ii) or (iii) above, for any such failure to comply or failure to receive required permits, licenses, other approvals or liability as would not, individually or in the aggregate, have a Material Adverse Effect.

(x) Material Agreements. Except as filed or furnished as an exhibit to (a) the IPO S-1, or (b) any Current Reports on Form 8-K filed by the Company on or after December 4, 2024 up to the Subscription Date, (collectively, the "**Recent 8-Ks**") (together with the IPO S-1, the "**Recent SEC Documents**"), neither the Company nor any Subsidiary of the Company is a party to any written or oral contract, instrument, agreement, commitment, obligation, plan or arrangement, a copy of which would be required pursuant to the Securities Act or the Exchange Act to be filed with the SEC as an exhibit to an Annual Report on Form 10-K (collectively, "**Material Agreements**"). Each of the Material Agreements described in the Recent SEC Documents filed with or furnished to the SEC conform in all material respects to the descriptions thereof contained or incorporated by reference therein. Except as set forth in the Recent SEC Documents, the Company and each of its Subsidiaries have performed in all material respects all the obligations then required to be performed by them under the Material Agreements, have received no notice of default or an event of default by the Company or any of its Subsidiaries thereunder and are not aware of any basis for the assertion thereof, and neither the Company or any of its Subsidiaries nor, to the Knowledge of the Company, any other contracting party thereto are in default under any Material Agreement now in effect, the result of which would have a Material Adverse Effect. Except as set forth in the Recent SEC Documents, each of the Material Agreements is in full force and effect, and constitutes a legal, valid and binding obligation enforceable in accordance with its terms against the Company and/or any of its Subsidiaries and, to the Knowledge of the Company, each other contracting party thereto, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

(y) Transactions with Affiliates. Except as set forth in Schedule 3(y), none of the officers or directors of the Company and, to the Knowledge of the Company, none of the Company's stockholders, the officers or directors of any stockholder of the Company, or any family member or Affiliate of any of the foregoing, has either directly or indirectly any interest in, or is a party to, any transaction that is required to be disclosed as a related party transaction pursuant to Item 404 of Regulation S-K promulgated under the Securities Act.

(z) Employees; Labor Laws. No material labor dispute with the employees of the Company exists, or, to the Knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that would reasonably be expected to have a Material Adverse Effect. Neither the Company nor any Subsidiary is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, nor any applicable federal or state wage and hour laws, nor any state law precluding the denial of credit due to the neighborhood in which a property is situated, the violation of any of which could reasonably be expected to have a Material Adverse Effect.

(aa) Investment Company Act Status. The Company is not, and as a result of the consummation of the transactions contemplated by this Agreement and the application of the proceeds from the sale of the Notes pursuant to the Transaction Documents, shall not be, an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

(bb) ERISA. To the Knowledge of the Company: (i) each material employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is maintained, administered, or contributed to by the Company or any of its Subsidiaries (other than a Multiemployer Plan, within the meaning of Section 3(37) of ERISA) for employees or former employees of the Company and any of its Subsidiaries has been maintained in material compliance with its terms and the requirements of any applicable statutes, orders, rules, and regulations, including ERISA and the Internal Revenue Code of 1986, as amended (the "**Code**"); (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred respecting any such plan (excluding transactions effected pursuant to a statutory or administrative exemption); and (iii) for each such plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no "accumulated funding deficiency" as defined in Section 412 of the Code has been incurred, whether or not waived, and the fair market value of the assets of each such plan (excluding for these purposes accrued but unpaid contributions) equals or exceeds the present value of all benefits accrued under such plan determined using reasonable actuarial assumptions, other than, in the case of (i), (ii), and (iii) above, as would not reasonably be expected to have a Material Adverse Effect.

(cc) Taxes. The Company and each of its Subsidiaries has filed all federal, state, local and foreign tax returns required to be filed through the Subscription Date or each Closing Date, as applicable, or have requested extensions thereof (except where the failure to file would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect) and have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not reasonably be expected to have a Material Adverse Effect, or, except as currently being contested in good faith and for which reserves required by GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its Subsidiaries which have had a Material Adverse Effect, nor does the Company have any notice or Knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company or any of its Subsidiaries and which would reasonably be expected to have a Material Adverse Effect.

(dd) Insurance. The Company and 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 Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage. The Company has no reason to believe that it shall 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 at a cost that would not, individually or in the aggregate, have a Material Adverse Effect on the Company and its Subsidiaries, taken as a whole.

(ee) U.S. Real Property Holding Corporation. Neither the Company nor any of its Subsidiaries is, and so long as any of the Securities are held by the Buyers shall not become, a U.S. real property holding corporation within the meaning of Section 897 of the Code.

(ff) Listing and Maintenance Requirements; DTC Eligibility. The Company shall use its reasonable best efforts to promptly secure the listing of all of the shares of Common Stock to be issued to the Buyers hereunder on the Trading Market (subject to official notice of issuance) and shall use reasonable best efforts to maintain, so long as any share of Common Stock shall be so listed, such listing of all such shares of Common Stock from time to time issuable hereunder. The Company shall use reasonable best efforts to maintain the listing of the shares of Common Stock on the Trading Market and shall comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules and regulations of the Trading Market. The Company shall not take any action that would reasonably be expected to result in the delisting or suspension of the shares of Common Stock on the Trading Market. The Company shall use its reasonable best efforts to ensure that the shares of Common Stock are eligible for participation in The Depository Trust Company ("**DTC**") book entry system and can be transferred electronically to third parties via DTC through its Deposit/Withdrawal at Custodian ("**DWAC**") delivery system.

(gg) No Unlawful Payments. Neither the Company nor any of its Subsidiaries nor any director or officer, nor, to the Knowledge of the Company, any employee, agent, representative or Affiliate of the Company, has taken within the past five (5) years any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property,

gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to influence official action or secure an improper advantage (to the extent acting on behalf of or providing services to the Company); and the Company and its Subsidiaries have conducted their businesses within the past five years in compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended, any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed December 17, 1997, the U.K. Bribery Act 2010 and other applicable anti-corruption, anti-money laundering and anti-bribery laws, and have instituted and maintain policies and procedures designed to promote and achieve compliance with such laws and with the representation and warranty contained herein.

(hh) Money Laundering Laws. The operations of the Company are and have been conducted at all times within the past five (5) years in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, and the applicable anti-money laundering statutes, including but not limited to, applicable federal, state, international, foreign or other laws, regulations or government guidance regarding anti-money laundering, including, without limitation, 18 U.S.C. Sections 1956 and 1957, the Patriot Act, the Bank Secrecy Act, and international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur, all as amended, and any executive order, directive, or regulation pursuant to the authority of any of the foregoing, or any orders or licenses issued thereunder, of jurisdictions where the Company conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or Governmental Entity, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the best Knowledge of the Company, threatened.

(ii) OFAC. Neither the Company nor any of its Subsidiaries, nor any director, officer, or employee thereof, nor, to the Company's Knowledge, any agent, Affiliate or representative of the Company, is a Person that is, or is owned or controlled by a Person that is (i) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), nor (ii) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Russia, Crimea, Cuba, Iran, North Korea, Sudan and Syria). Neither the Company nor any of its Subsidiaries shall, directly or indirectly, use the proceeds from the sale of Shares under this Agreement, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person (a) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions, or (b) in any other manner that shall result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise). During the past five (5) years, neither the Company nor any of its Subsidiaries have knowingly engaged in, or are now knowingly engaged in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(jj) Disclosure. The Company confirms that neither it nor any other Person acting on its behalf has provided the Buyers or any of their agents, advisors or counsel with any information that constitutes or could reasonably be expected to constitute material, nonpublic information concerning the Company or any of its Subsidiaries, other than with respect to the transactions contemplated by this Agreement. The Company understands and confirms that the Buyers shall rely on the foregoing representations in effecting resales of the Securities pursuant to the terms hereof. All disclosure provided to the Buyers regarding the Company and its Subsidiaries, their businesses and the transactions contemplated by this Agreement (including, without limitation, the representations and warranties of the Company contained in this Section 3) furnished in writing by or on behalf of the Company or any of its Subsidiaries for purposes of or in connection with the transactions contemplated by this Agreement (other than forward-looking information and projections and information of a general economic nature and general information about the Company's industry), taken together, is true and correct in all material respects on the date on which such information is dated or certified, 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 the light of the circumstances under which they were made, not misleading at such time. Each press release issued by the Company or any of its Subsidiaries during the twelve (12) months preceding the Subscription Date or each Closing Date, as applicable, did not, at the time of release, contain any misstatement of material fact.

(kk) 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 (25%) 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.

(ll) IT Systems. To the Knowledge of Company, (i)(A) there has been no security breach or other compromise of any of the Company's or its Subsidiaries' information technology and computer systems, networks, hardware, software, data (including the data of their respective customers, employees, suppliers, vendors and any third party data maintained by or on behalf of them), equipment or technology (collectively, "**IT Systems and Data**"), and (B) the Company has not been notified of, and has no knowledge of any event or condition that would reasonably be expected to result in, any security breach or other compromise to the IT Systems and Data, except as would not, in the case of this clause (i), individually or in the aggregate, have a Material Adverse Effect; (ii) the Company is presently in material compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or Governmental Entity, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, in the case of this clause (ii), individually or in the aggregate, have a Material Adverse Effect; and (c) the Company has implemented backup and disaster recovery technology consistent with industry standards and practices.

(mm) Compliance with Data Privacy Laws. The Company and Subsidiaries are, and at all prior times were, in material compliance with all applicable data privacy and security laws and regulations of the applicable jurisdictions (collectively, the "**Privacy Laws**"). To ensure compliance with the Privacy Laws, the Company has in place, complies with, and takes appropriate steps to ensure compliance in all material respects with its policies and procedures relating to data privacy and security and the collection, storage, use, processing, disclosure, handling, and analysis of personal data and confidential data (the "**Policies**"). The Company has at all times made all disclosures to users or customers required by applicable laws and regulatory rules or requirements, and none of such disclosures made or contained in any of its Policies have been inaccurate or in violation of any applicable laws and regulatory rules or requirements in any material respect. The Company further certifies that neither it nor any Subsidiary: (a) has received notice of any actual or potential liability under or relating to, or actual or potential violation of, any of the Privacy Laws, and the Company has no Knowledge of any event or condition that would reasonably be expected to result in any such notice; (b) is currently conducting or paying for, in whole or in part, any investigation, remediation, or other corrective action pursuant to any Privacy Law; or (c) is a party to any order, decree, or agreement that imposes any obligation or liability under any Privacy Law.

(nn) Equity Incentive Plans. Each stock Option granted by the Company was granted (a) in accordance with the terms of the applicable equity incentive plan of the Company and (b) with an exercise price at least equal to the fair market value of the shares of 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 equity incentive plan has been backdated. The Company has not knowingly granted, and there is no and has been no policy or practice of the Company to knowingly grant, stock Options prior to, or otherwise knowingly coordinate the grant of stock Options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(oo) Manipulation of Price. Neither the Company nor any of its officers, directors or Affiliates has, and, to the Knowledge of the Company, no Person acting on their behalf has, (a) taken, directly or indirectly, any action designed or intended to cause or to result in the stabilization or manipulation of the price of any security of the Company, or which caused or resulted in, or which would in the future reasonably be expected to cause or result in, the stabilization or manipulation of the price of any security of the Company, in each case to facilitate the sale or resale of any of the Securities, or (b) sold, bid for, purchased, or paid any compensation for soliciting purchases of, any of the Securities. Neither the Company nor any of its officers, directors or Affiliates shall during the term of this Agreement, and, to the Knowledge of the Company, no Person acting on their behalf shall during the term of this Agreement, take any of the actions referred to in the immediately preceding sentence.

(pp) No Disqualification Events. With respect to Securities to be offered and sold hereunder in reliance on Rule 506(b) under the Securities Act ("**Regulation D Securities**"), none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering contemplated hereby, any beneficial owner of twenty percent (20%) or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Buyers a copy of any disclosures provided thereunder.

(qq) Other Covered Persons. The Company is not aware of any Person that has been or will be paid (directly or indirectly) remuneration for solicitation of Buyers or potential purchasers in connection with the sale of any Regulation D Securities.

(rr) Ranking of Notes. No Indebtedness of the Company, except for such Indebtedness as set forth in Schedule 3(q), at each Closing, shall be senior to, or *pari passu* with, the Notes in right of payment, whether with respect to payment or redemptions, interest, damages, upon liquidation or dissolution or otherwise.

(ss) Acknowledgement Regarding Buyers' Trading Activity. It is understood and acknowledged by the Company that (i) following the public disclosure of the transactions contemplated by the Transaction Documents, in accordance with the terms thereof, none of the Buyers have been asked by the Company or any of its Subsidiaries to agree, nor has any Buyer agreed with the Company or any of its Subsidiaries, to desist from effecting any transactions in or with respect to (including, without limitation, purchasing or selling, long and/or short) any securities of the Company, or "derivative" securities based on securities issued by the Company or to hold any of the Securities for any specified term; (ii) any Buyer, and counterparties in "derivative" transactions to which any such Buyer is a party, directly or indirectly, presently may have a "short" position in the shares of Common Stock which was established prior to such Buyer's knowledge of the transactions contemplated by the Transaction Documents; (iii) each Buyer shall not be deemed to have any affiliation with or control over any arm's-length counterparty in any "derivative" transaction; and (iv) each Buyer may rely on the Company's obligation to timely deliver shares of Common Stock upon conversion of the Notes as and when required pursuant to the Transaction Documents for purposes of effecting trading in the shares of Common Stock of the Company. The Company further understands and acknowledges that following the public disclosure of the transactions contemplated by the Transaction Documents pursuant to the 8-K Filing, one or more Buyers may engage in hedging and/or trading activities (including, without limitation, the location and/or reservation of borrowable shares of Common Stock) at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value and/or number of the Conversion Shares deliverable are being determined and such hedging and/or trading activities (including, without limitation, the location and/or reservation of borrowable shares of Common Stock), if any, can reduce the value of the existing stockholders' equity interest in the Company both at and after the time the hedging and/or trading activities are being conducted. The Company acknowledges that such aforementioned hedging and/or trading activities do not constitute a breach of this Agreement, the Notes or any other Transaction Document or any of the documents executed in connection herewith or therewith.

4. COVENANTS.

(a) Best Efforts. Each Buyer shall use its best efforts to timely satisfy each of the covenants hereunder and conditions to be satisfied by it as provided in Section 6 of this Agreement. The Company shall use its best efforts to timely satisfy each of the covenants hereunder and conditions to be satisfied by it as provided in Section 7 of this Agreement.

(b) Form D and Blue Sky. The Company shall file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to each Buyer promptly after such filing. The Company shall, on or before each Closing Date, take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to, qualify the Notes for sale to the Buyers at each Closing pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence of any such action so taken to the Buyers on or prior to each Closing Date. Without limiting any other obligation of the Company under this Agreement, the Company shall timely make all filings and reports relating to the offer and sale of the Notes required under all applicable securities laws (including, without limitation, all applicable federal securities laws and all applicable "Blue Sky" laws), and the Company shall comply with all applicable foreign, federal, state and local laws, statutes, rules, regulations and the like relating to the offering and sale of the Notes to the Buyers.

(c) Reporting Status. Until the date on which the Buyers shall have sold all of the Registrable Securities (the "**Reporting Period**"), the Company shall timely file all reports required to be filed with the SEC pursuant to the Exchange Act, and the Company shall not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would no longer require or otherwise permit such termination.

(d) Use of Proceeds. The Company shall use the proceeds from the sale of the Notes for the repayment of Indebtedness owed to Itria Ventures LC as set forth in Schedule 3(q) and for general corporate purposes.

(e) Financial Information. The Company agrees to send the following to each Buyer during the Reporting Period (i) unless the following are filed with the SEC through EDGAR and are available to the public through the EDGAR system, within one (1) Business Day after the filing thereof with the SEC, a copy of its Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, any interim reports or any consolidated balance sheets, income statements, shareholders' equity statements and/or cash flow statements for any period other than annual, any Current Reports on Form 8-K and any registration statements (other than on Form S-8) or amendments filed pursuant to the Securities Act, (ii) unless the following are either filed with the SEC through EDGAR or are otherwise widely disseminated via a recognized news release service (such as PR Newswire), on the same day as the release thereof, e-mail copies of all press releases issued by the Company or any of its Subsidiaries, and (iii) unless the following are filed with the SEC through EDGAR, copies of any notices and other information made available or given to the stockholders of the Company generally, contemporaneously with the making available or giving thereof to the stockholders.

(f) Listing. The Company shall maintain the shares of Common Stock listing or authorization for quotation (as the case may be) on the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, The New York Stock Exchange or the NYSE American, or any successors to any of the foregoing (each, an "**Eligible Market**"). Neither the Company nor any of its Subsidiaries shall take any action which would be reasonably expected to result in the delisting or suspension of the shares of Common Stock on an Eligible Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4(f).

(g) Fees. The Company shall reimburse the lead Buyer for all costs and expenses incurred by it or its affiliates in connection with the preparation, structuring, documentation, negotiation and closing of the transactions contemplated by the Transaction Documents (including, without limitation, as applicable, all reasonable legal fees of Sullivan & Worcester LLP ("**Lead Buyer Counsel**"), counsel to the lead Buyer, any other reasonable and documented fees and expenses in connection with the structuring, documentation, negotiation and closing of the transactions contemplated by the Transaction Documents and due diligence and regulatory filings in connection therewith), which amounts shall include the initial $50,000 deposit paid by the Company to the Buyers (collectively, the "**Transaction Expenses**"), the sum of which shall not exceed $150,000 and shall be deducted from each Buyer's respective Purchase Price at the applicable Closing in accordance with the Flow of Funds Letter. The Company shall be responsible for the payment of any placement agent fees, financial advisory fees, transfer agent fees, DTC fees or broker's commissions (other than for Persons engaged by any Buyer) relating to or arising out of the transactions contemplated hereby. The Company shall pay, and hold each Buyer harmless against, any liability, loss or expense (including, without limitation, reasonable attorneys' fees and out-of-pocket expenses) arising in connection with any claim relating to any such payment. Except as otherwise set forth in the Transaction Documents, each party to this Agreement shall bear its own expenses in connection with the sale of the Notes to the Buyers.

(h) Pledge of Securities. Notwithstanding anything to the contrary contained in this Agreement, the Company acknowledges and agrees that the Securities may be pledged by a Buyer in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Securities. The pledge of Securities shall not be deemed to be a transfer, sale or assignment of the Securities hereunder, and no Buyer effecting a pledge of Securities shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document, including, without limitation, Section 2(g) hereof; provided that a Buyer and its pledgee shall be required to comply with the provisions of Section 2(g) hereof in order to effect a sale, transfer or assignment of Securities to such pledgee. The Company hereby agrees to execute and deliver such documentation as a pledgee of the Securities may reasonably request in connection with a pledge of the Securities to such pledgee by a Buyer.

(i) Disclosure of Transactions and Other Material Information.

(i) Disclosure of Transaction. On or before 9:30 a.m., New York time, on the second (2^{nd}) Business Day after the Subscription Date, the Company shall file a Current Report on Form 8-K describing all the material terms of the transactions contemplated by the Transaction Documents in the form required by the Exchange Act and attaching all the material Transaction Documents (including, without limitation, this Agreement and the form of Notes) (including all attachments, the "**8-K Filing**") From and after the filing of the 8-K Filing, the Company shall have disclosed all material, non-public information (if any) provided to any of the Buyers 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. In addition, effective upon the filing of the 8-K Filing, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and any of the Buyers or any of their affiliates, on the other hand, shall terminate.

(ii) Limitations on Disclosure. The Company shall not, and the Company shall cause each of its Subsidiaries and each of its and their respective officers, directors, employees and agents not to, provide any Buyer with any material, non-public information regarding the Company or any of its Subsidiaries from and after the Subscription Date without the express prior written consent of such Buyer (which may be granted or withheld in such Buyer's sole discretion). In the event of a breach of any of the foregoing covenants or any of the covenants or agreements contained in any other Transaction Document, by the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees and agents (as determined in the reasonable good faith judgment of such Buyer), in addition to any other remedy provided herein or in the Transaction Documents, such Buyer shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such breach or such material, non-public information, as applicable, without the prior approval by the Company, any of its Subsidiaries, or any of its or their respective officers, directors, employees or agents. No Buyer shall have any liability to the Company, any of 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, non-public information to a Buyer without such Buyer's consent, the Company hereby covenants and agrees that such Buyer shall not have any duty of confidentiality with respect to, or a duty not to trade on the basis of, such material, non-public information. Subject to the foregoing, neither the Company, its Subsidiaries nor any Buyer shall issue any press releases or any other public statements with respect to the transactions contemplated hereby; provided, however, the Company shall be entitled, without the prior approval of any Buyer, to make any press release or other public disclosure with respect to such transactions (A) in substantial conformity with the 8-K Filing and contemporaneously therewith, and (B) as is required by applicable law and regulations (provided that in the case of clause (A) each Buyer shall be consulted by the Company in connection with any such press release or other public disclosure prior to its release). Without the prior written consent of the applicable Buyer (which may be granted or withheld in such Buyer's sole discretion), the Company shall not (and shall cause each of its Subsidiaries and affiliates to not) disclose the name of such Buyer in any filing, announcement, release or otherwise. Notwithstanding anything contained in this Agreement to the contrary and without implication that the contrary would otherwise be true, the Company expressly acknowledges and agrees that no Buyer shall have (unless expressly agreed to by a particular Buyer after the Subscription Date in a written definitive and binding agreement executed by the Company and such particular Buyer (it being understood and agreed that no Buyer may bind any other Buyer with respect thereto)), any duty of confidentiality with respect to, or a duty not to trade on the basis of, any material, non-public information regarding the Company or any of its Subsidiaries.

(iii) Other Confidential Information. In addition to other remedies set forth in this Section 4(i), and without limiting anything set forth in any other Transaction Document, at any time after each Closing Date if the Company, any of its Subsidiaries, or any of their respective officers, directors, employees or agents, provides any Buyer with material non-public information relating to the Company (each, the "**Confidential Information**"), the Company shall, on or prior to the applicable Required Disclosure Date (as defined below), publicly disclose such Confidential Information on a report on Form 8-K or otherwise (each, a "**Disclosure**"). From and after such Disclosure, the Company shall have disclosed all Confidential Information provided to such Buyer 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. In addition, effective upon such Disclosure, the Company acknowledges and agrees that any and all confidentiality or similar obligations under any agreement, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and any of the Buyers or any of their affiliates, on the other hand, shall

terminate. "**Required Disclosure Date**" means (1) if such Buyer authorized the delivery of such Confidential Information, either (x) if the Company and such Buyer have mutually agreed upon a date (as evidenced by an e-mail or other writing) of Disclosure of such Confidential Information, such agreed upon date or (y) otherwise, the seventh (7^{th}) calendar day after the date such Buyer first received any Confidential Information, or (2) if such Buyer did not authorize the delivery of such Confidential Information, the first (1^{st}) Business Day after such Buyer's receipt of such Confidential Information.

(j) Buyer's Share Sale Limit. For as long as any Buyer holds any Notes and provided that there is no existing Event of Default (as defined in the Notes), such Buyer (and any transferee or assignee of any Notes) shall limit the aggregate daily selling amount of the shares of Common Stock it receives from conversion of its Notes pursuant to Section 3(b) or Section 8(a) of the Notes to the higher of (i) 15% of the daily trading volume of the shares of Common Stock on the Trading Market, or (ii) $100,000.

(k) Additional Issuance of Securities. So long as any Buyer beneficially owns any Notes, the Company shall not, without the prior written consent of the Required Holders (as defined below), issue any Notes (other than to the Buyers as contemplated hereby) and the Company shall not issue any other securities that would cause a breach or default under the Notes. Each Buyer shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(l) Reservation of Shares. So long as any of the Notes remain outstanding, the Company shall take all action necessary to at all times have authorized, and reserved for the purpose of issuance, no less than the Required Reserve Amount; provided that at no time shall the number of shares of Common Stock reserved pursuant to this Section 4(l) be reduced other than proportionally in connection with any conversion and/or redemption of the Notes. If at any time the number of shares of Common Stock authorized and reserved for issuance is not sufficient to meet the Required Reserve Amount, the Company shall promptly take all corporate action necessary to authorize and reserve a sufficient number of shares, including, without limitation, calling a special meeting of stockholders to authorize additional shares to meet the Company's obligations pursuant to the Transaction Documents, in the case of an insufficient number of authorized shares, obtain stockholder approval of an increase in such authorized number of shares, and voting the management shares of the Company in favor of an increase in the authorized shares of the Company to ensure that the number of authorized shares of Common Stock is sufficient to meet the Required Reserve Amount.

(m) Conduct of Business. The business of the Company and its Subsidiaries shall not be conducted in violation of any law, ordinance or regulation of any Governmental Entity, except where such violations would not reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect.

(n) Variable Rate Transactions. From the date hereof until the later of (i) the date the last Note ceases to be outstanding and (ii) the 24-month anniversary of the date hereof, the Company and each Subsidiary shall be prohibited from effecting or entering into an agreement to effect any issuance by the Company or any of its Subsidiaries of shares of Common Stock or Common Stock Equivalents (or a combination of units thereof) involving a Variable Rate Transaction. "**Common Stock Equivalents**" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time shares of 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, shares of Common Stock. "**Variable Rate Transaction**" means a transaction in which the Company (i) issues or sells any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive additional shares of Common Stock either (A) at a conversion price, exercise price or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such debt or equity securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for shares of Common Stock or (ii) enters into, or effects a transaction under, any agreement, including, but not limited to, an equity line of credit, whereby the Company may issue securities at a future determined price regardless of whether shares pursuant to such agreement have actually been issued and regardless of whether such agreement is subsequently canceled. Any Buyer shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages.

(o) Subsequent Equity Issuances. Beginning on the Subscription Date and ending on (x) if all of the Registrable Securities are registered on the Initial Registration Statement (as defined in the Registration Rights Agreement), the date that is thirty (30) Trading Days following the Effective Date (as defined in the Registration Rights Agreement) of the Initial Registration Statement, or (y) if not

all of the Registrable Securities are registered on the Initial Registration Statement, the Effective Date of the Registration Statement that includes the remaining Registrable Securities, neither the Company nor any Subsidiary shall (i) issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock Equivalents, other than Excluded Securities (as defined in the Notes) or (ii) file any registration statement or any amendment or supplement with respect thereto, other than (A) any Registration Statement pursuant to the Registration Rights Agreement, (B) any registration statement pursuant to any other agreements by and between the Company and the Holder or any affiliate of the Holder, and (C) any registration statement on Form S-8 in connection with any employee benefit plan. For the avoidance of doubt, nothing in this Section 4(o) shall be deemed to prevent the Company from (a) filing a registration statement in connection with any registration rights obligations in existence prior to the Subscription Date or (b) performing its obligations under any of the Transaction Documents.

(p) Dilutive Issuances. So long as any Notes are outstanding, the Company shall not, in any manner, enter into or affect any Dilutive Issuance (as defined in the Notes) if the effect of such Dilutive Issuance is to cause the Company to be required to issue upon conversion of any Notes any shares of Common Stock in excess of that number of shares of Common Stock which the Company may issue upon conversion of the Notes without breaching the Company's obligations under the rules or regulations of the Trading Market.

(q) Participation in Future Financing.

(i) Upon any issuance by the Company or any of its Subsidiaries of shares of Common Stock or Common Stock Equivalents for cash consideration, indebtedness or a combination of units hereof that occurs during the one year period after each Closing (a "**Subsequent Financing**"), each Buyer shall have the right to participate in any Subsequent Financing up to an amount equal to 15% of such financing on the same terms, conditions and price provided to other investors in the applicable Subsequent Financing. The maximum amount calculated with the applicable percentage in the prior sentence is referred to as the "**Participation Maximum**."

(ii) Between 4:00 p.m. (New York City time) and 6:00 p.m. (New York City time) on the Trading Day immediately prior the Trading Day of the expected announcement of the Subsequent Financing (or, if the Trading Day of the expected announcement of the Subsequent Financing is the first Trading Day following a holiday or a weekend (including a holiday weekend), the time period between 4:00 p.m. (New York City time) on the Trading Day immediately prior to such holiday or weekend and 2:00 p.m. (New York City time) on the day immediately prior to the Trading Day of the expected announcement of a Subsequent Financing), the Company shall deliver to each Buyer a written notice of its intention to effect a Subsequent Financing ("**Pre-Notice**"), which Pre-Notice shall ask such Buyer if it wants to review the details of such financing (such additional notice, a "**Subsequent Financing Notice**"). Upon the request of a Buyer, and only upon a request by such Buyer, for a Subsequent Financing Notice, prior to 9:00 p.m. (New York City Time) on the date on which the Pre-Notice is delivered to such Buyer, the Company shall promptly, but no later the end of the Trading Day immediately following the date such request from such Buyer is received, deliver a Subsequent Financing Notice to such Buyer. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the Person or Persons through or with whom such Subsequent Financing is proposed to be effected and shall include a term sheet or similar document relating thereto as an attachment.

(iii) Any Buyer desiring to participate in such Subsequent Financing must provide written notice to the Company by not later than 7:30 a.m. (New York City time) on the Business Day after the Buyer has received the Subsequent Financing Notice that such Buyer is willing to participate in the Subsequent Financing, the amount of such Buyer's participation, and representing and warranting that such Buyer has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice. If the Company receives no such notice from a Buyer as of such time, such Buyer shall be deemed to have notified the Company that it does not elect to participate.

(iv) If after all of the Buyers have received the Pre-Notice and after the time set forth in Section 4(q)(iii) above, notifications by the Buyers of their willingness to participate in the Subsequent Financing (or to cause their designees to participate) is, in the aggregate, less than the total amount of the Subsequent Financing, then the Company may, within four (4) Business Days, effect the remaining portion of such Subsequent Financing on the terms and with the Persons set forth in the Subsequent Financing Notice.

(v) If after all of the Buyers have received the Pre-Notice and after the time set forth in Section 4(q)(iii) above, the Company receives responses to a Subsequent Financing Notice from Buyers seeking to purchase more than the aggregate amount of the Participation Maximum, each such Buyer shall have the right to purchase its Pro Rata Portion (as defined below) of the Participation Maximum. "**Pro Rata Portion**" means the ratio of (x) the aggregate Purchase Price of Notes purchased by a Buyer participating under this Section 4(q) and (y) the sum of the aggregate Purchase Price of Notes purchased by all Buyers participating under this Section 4(q).

(vi) The Company must provide the Buyers with a second Subsequent Financing Notice, and the Buyers will again have the right of participation set forth above in this Section 4(q), if the Subsequent Financing subject to the initial Subsequent Financing Notice is not consummated for any reason on the terms set forth in such Subsequent Financing Notice within the time period set forth in Section 4(q)(iv) above.

(vii) The Company and each Buyer agree that if any Buyer elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision whereby such Buyer shall be required to agree to any restrictions on trading as to any of the Conversion Shares or be required to consent to any amendment to or termination of, or grant any waiver, release or the like under or in connection with, this Agreement, without the prior written consent of such Buyer.

(viii) Notwithstanding anything to the contrary in this Section 4(q) and unless otherwise agreed to by such Buyer, the Company shall either confirm in writing to such Buyer that the transaction with respect to the Subsequent Financing has been abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that such Buyer will not be in possession of any material, non-public information, by 9:30 a.m. (New York City Time) on the second (2^{nd}) Business Day following the delivery of the Subsequent Financing Notice. If by such time, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by such Buyer, such transaction shall be deemed to have been abandoned and such Buyer shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries.

(ix) Notwithstanding the foregoing, this Section 4(q) shall not apply in respect of any Excluded Securities (as defined in the Notes).

(r) Reserved.

(s) Corporate Existence. So long as any Buyer beneficially owns any Notes, the Company shall not be party to any Fundamental Transaction (as defined in the Notes) unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Notes.

(t) Reserved.

(u) Conversion Procedures. The form of Conversion Notice (as defined in the Notes) included in the Notes sets forth the totality of the procedures required of the Buyers in order to convert or exercise the Notes. Except as provided in Section 5(d), no additional legal opinion, other information or instructions shall be required of the Buyers to convert or exercise their Notes. The Company shall honor conversions or exercises of the Notes and shall deliver the Conversion Shares in accordance with the terms, conditions and time periods set forth in the Notes.

(v) Regulation M. The Company shall not take any action prohibited by Regulation M under the Exchange Act, in connection with the distribution of the Securities contemplated hereby.

(w) General Solicitation. None of the Company, any of its affiliates (as defined in Rule 501(b) under the Securities Act) or any person acting on behalf of the Company or such affiliate shall solicit any offer to buy or offer or sell the Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D, including: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(x) Integration. None of the Company, its Subsidiaries, or any of their respective Affiliates, nor any Person acting on their behalf shall sell, offer for sale, or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Securities Act) which shall be integrated with the sale of the Notes in a manner which would require the registration of the Securities under the Securities Act or require stockholder approval under the rules and regulations of the Trading Market and the Company shall take all action that is appropriate or necessary to assure that its offerings of other securities shall not be integrated for purposes of the Securities Act or the rules and regulations of the Trading Market with the issuance of Securities contemplated hereby.

(y) Notice of Disqualification Events. The Company shall notify the Buyers in writing, prior to each Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(z) Compliance with Rules of Trading Market.

(i) General. The Company shall not issue or sell any shares of Common Stock pursuant to this Agreement if such issuance or sale would reasonably be expected to result in (A) violation of the Securities Act or (B) breach of the rules of the Trading Market. The provisions of this Section 4(z) shall be implemented in a manner otherwise than in strict conformity with the terms of this Section 4(z) only if necessary to ensure compliance with the Securities Act and the applicable rules of the Trading Market. The limitations contained in this Section 4(z) may not be waived by the Company or any Buyer.

(ii) Exchange Cap. Subject to Section 4(z)(iii) and (iv), the Company shall not issue or sell any shares of Common Stock to the Buyers upon conversion of any Note, if, to the extent that after giving effect thereto, the aggregate number of shares of Common Stock that would be issued to Buyers or any of their affiliates pursuant to this Agreement or otherwise and the transactions contemplated hereby would exceed the number of shares equal to 19.99% of the number of shares of Common Stock issued and outstanding immediately prior to the Subscription Date, which number of shares shall be reduced, on a share-for-share basis, by the number of shares of Common Stock issued or issuable to Buyers or any of their affiliates pursuant to any transaction or series of transactions that may be aggregated with the transactions contemplated by this Agreement under applicable rules of the Trading Market (such maximum number of shares, the "**Exchange Cap**" and such limitation on the Company's issuance of shares to the Buyers, the "**Exchange Cap Limitation**").

(iii) Exchange Cap Allocation. Until Stockholder Approval (as defined below) is obtained, the Company shall issue each Buyer in the aggregate, upon conversion of any of the Notes, shares of Common Stock in an amount no greater than the product of (A) the Exchange Cap multiplied by (B) the quotient of (1) the aggregate number of shares of Common Stock initially convertible pursuant to the Notes held by such Buyer without regard for any limitations on conversion set forth therein divided by (2) the aggregate number of shares of Common Stock initially convertible pursuant to the Notes held by all Buyers without regard to any limitations on exercise set forth therein (with respect to each Buyer, the "**Exchange Cap Allocation**"). In the event that any Buyer shall sell or otherwise transfer any of such Buyer's Notes, the transferee shall be allocated a pro rata portion of such Buyer's Exchange Cap Allocation with respect to such portion of such Notes so transferred, and the restrictions of the prior sentence shall apply to such transferee with respect to the portion of the Exchange Cap Allocation so allocated to such transferee. Upon conversion in full of the Notes, the difference (if any) between such Buyer's Exchange Cap Allocation and the number of shares of Common Stock actually issued to such Buyer upon such Buyer's conversion in full of such Notes shall be allocated to the respective Exchange Cap Allocations of the remaining Buyers on a pro rata basis in proportion to the shares of Common Stock underlying the Notes then held by each such Buyer.

(iv) Stockholder Approval. As soon as practicable after the Subscription Date, but in any event no later than ninety (90) days thereafter (the "**Stockholder Meeting Deadline**"), the Company shall hold a meeting of its stockholders to seek approval of a waiver of the Exchange Cap applicable to any conversion of the First Note and the Second Note (approval of such proposal, the "**Stockholder Approval**"). In connection with such meeting, the Company shall provide each stockholder of the Company with a proxy statement in compliance with applicable SEC rules and regulations and shall use its best efforts to solicit the Stockholder Approval and to cause its board of directors to recommend to the Company's stockholders that they approve such proposal(s). If the Company does not obtain the Stockholder Approval at meetings prior to the Stockholder Meeting Deadline, the Company shall call additional meetings every three (3) months thereafter to seek the Stockholder Approval until the date the Stockholder Approval is obtained. In the event the Company is prohibited from issuing shares of Common Stock

pursuant to the conversion of the Notes due to the Exchange Cap Limitation and the Company fails to obtain Stockholder Approval as required by this Section 4(z)(iv), then, in lieu of issuing and delivering to each Buyer seeking to exchange or convert its Notes such number of shares of Common Stock that is determined to be unavailable for issuance upon the conversion of Notes (the "**Exchange Cap Excess Shares**"), the Company shall pay cash to each such Buyer the sum of (x) the product of (A) such number of Exchange Cap Excess Shares and (B) the greatest Closing Sale Price (as defined in the Notes) of the shares of Common Stock on any Trading Day during the period commencing on the date the Buyer delivers the applicable Conversion Notice (as defined in the Notes) with respect to such Exchange Cap Excess Shares to the Company and ending on the date of such payment under this paragraph and (y) to the extent the Buyer purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Buyer of Exchange Cap Excess Shares, any brokerage commissions and other out-of-pocket expenses, if any, of the Buyer incurred in connection therewith. For the avoidance of doubt, if the Company is required to and fails to obtain Stockholder Approval, the Exchange Cap shall be applicable for all purposes of this Agreement and the transactions contemplated hereby at all times during the term of this Agreement.

(aa) Closing Documents. On or prior to fourteen (14) calendar days after the applicable Closing Date, the Company shall deliver, or cause to be delivered, to each Buyer and Lead Buyer Counsel a complete closing set of the executed Transaction Documents, Securities and any other document required to be delivered to any party pursuant to Section 7 hereof or otherwise.

5. REGISTER; TRANSFER AGENT INSTRUCTIONS; LEGEND.

(a) Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to each holder of Securities), a register for the Notes in which the Company shall record the name and address of the Person in whose name the Notes have been issued (including the name and address of each transferee), the principal amount of the Notes held by such Person and the number of Conversion Shares issuable pursuant to the terms of the Notes. The Company shall keep the register open and available at all times during business hours for inspection of any Buyer or its legal representatives.

(b) Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent and any subsequent transfer agent (as applicable, the "**Transfer Agent**") in a form acceptable to each of the Buyers (the "**Irrevocable Transfer Agent Instructions**") to issue certificates or credit shares to the applicable balance accounts at DTC, registered in the name of each Buyer or its respective nominee(s), for the Conversion Shares in such amounts as specified from time to time by each Buyer to the Company upon conversion or exercise of the Notes. The Company represents and warrants that no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5(b), and stop transfer instructions to give effect to Section 2(g) hereof, shall be given by the Company to its transfer agent with respect to the Securities, and that the Securities shall otherwise be freely transferable on the books and records of the Company, as applicable, to the extent provided in this Agreement and the other Transaction Documents. If a Buyer effects a sale, assignment or transfer of the Securities in accordance with Section 2(g), the Company shall permit the transfer and shall promptly instruct its transfer agent to issue one or more certificates or credit shares to the applicable balance accounts at DTC in such name and in such denominations as specified by such Buyer to effect such sale, transfer or assignment. In the event that such sale, assignment or transfer involves Conversion Shares sold, assigned or transferred pursuant to an effective registration statement or in compliance with Rule 144, the Transfer Agent shall issue such shares to such Buyer, assignee or transferee (as the case may be) without any restrictive legend in accordance with Section 5(d). The Company acknowledges that a breach by it of its obligations hereunder shall cause irreparable harm to a Buyer. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5(b) shall be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section 5(b), that a Buyer shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required. The Company shall cause its counsel to issue the legal opinion referred to in the Irrevocable Transfer Agent Instructions to the Transfer Agent on each Subscription Date. Any fees (with respect to the Transfer Agent, counsel to the Company or otherwise) associated with the issuance of such opinion or the removal of any legends on any of the Securities shall be borne by the Company.

(c) Legends. Each Buyer understands that the Securities have been issued (or shall be issued in the case of the Conversion Shares) pursuant to an exemption from registration or qualification under the Securities Act and applicable state securities laws, and except as set forth below, the Securities shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates):

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

(d) Removal of Legends. Certificates evidencing Securities shall not be required to contain the legend set forth in Section 5(c) above or any other legend (i) while a Registration Statement covering the resale of such Securities is effective under the Securities Act, (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company), (iii) if such Securities are eligible to be sold, assigned or transferred under Rule 144 (provided that a Buyer provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144 which shall not include an opinion of Buyer's counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that such Buyer provides the Company with an opinion of counsel to such Buyer, in a generally acceptable form, to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the Securities Act or (v) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than two (2) Trading Days (or such earlier date as required pursuant to the Exchange Act or other applicable law, rule or regulation for the settlement of a trade initiated on the date such Buyer delivers such legended certificate representing such Securities to the Company) following the delivery by a Buyer to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from such Buyer as may be required above in this Section 5(d), as directed by such Buyer, either: (A) provided that the Company's transfer agent is participating in the DTC Fast Automated Securities Transfer Program ("**FAST**") and such Securities are Conversion Shares, credit the aggregate number of shares of Common Stock to which such Buyer shall be entitled to such Buyer's or its designee's balance account with DTC through its DWAC system or (B) if the Company's transfer agent is not participating in FAST, issue and deliver (via reputable overnight courier) to such Buyer, a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of such Buyer or its designee (the date by which such credit is so required to be made to the balance account of such Buyer's or such Buyer's designee with DTC or such certificate is required to be delivered to such Buyer pursuant to the foregoing is referred to herein as the "**Required Delivery Date**," and the date such shares of Common Stock are actually delivered without restrictive legend to such Buyer or such Buyer's designee with DTC, as applicable, the "**Share Delivery Date**"). The Company shall be responsible for any transfer agent fees or DTC fees with respect to any issuance of Securities or the removal of any legends with respect to any Securities in accordance herewith.

(e) Failure to Timely Deliver; Buy-In. If the Company fails, for any reason or for no reason, to issue and deliver (or cause to be delivered) to a Buyer (or its designee) by the Required Delivery Date, either (i) if the Transfer Agent is not participating in FAST, a certificate for the number of Conversion Shares to which such Buyer is entitled and register such Conversion Shares on the Company's share register or, if the Transfer Agent is participating in FAST, to credit the balance account of such Buyer or such Buyer's designee with DTC for such number of Conversion Shares submitted for legend removal by such Buyer pursuant to Section 5(d) above, or (ii) if the Registration Statement covering the resale of the Conversion Shares submitted for legend removal by such Buyer pursuant to Section 5(d) above (the "**Unavailable Shares**") is not available for the resale of such Unavailable Shares and the Company fails to promptly, but in no event later than as required pursuant to the Registration Rights Agreement, to notify such Buyer and deliver the Conversion Shares electronically without any restrictive legend by crediting such aggregate number of Conversion Shares submitted for legend removal by such Buyer pursuant to Section 5(d) above to such Buyer's or its designee's balance account with DTC through its DWAC system (the event described in the immediately foregoing clause (ii) is hereinafter referred as a "**Notice Failure**" and together with the event described in clause (i) above, a "**Delivery Failure**"), then, in addition to all other remedies available to such Buyer, the Company shall pay in cash to such Buyer on each day after the Share Delivery Date and during such Delivery Failure an amount equal to two percent (2%) of the product of (A) the sum of the number of shares of Common Stock not issued to such Buyer on or prior to the Required Delivery Date and to which such Buyer is entitled, and (B) any trading price of the shares of Common Stock selected by such Buyer in writing as in effect at any time during the period beginning on the date of the delivery by such Buyer to the Company

of the applicable Conversion Shares and ending on the applicable Share Delivery Date. In addition to the foregoing, if on or prior to the Required Delivery Date either (I) if the Transfer Agent is not participating in FAST, the Company shall fail to issue and deliver a certificate to a Buyer and register such shares of Common Stock on the Company's share register or, if the Transfer Agent is participating in FAST, credit the balance account of such Buyer or such Buyer's designee with DTC for the number of shares of Common Stock to which such Buyer submitted for legend removal by such Buyer pursuant to Section 5(d) above (ii) below or (II) a Notice Failure occurs, and if on or after such Trading Day such Buyer purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by such Buyer of shares of Common Stock submitted for legend removal by such Buyer pursuant to Section 5(d) above that such Buyer is entitled to receive from the Company (a "**Buy-In**"), then the Company shall, within two (2) Trading Days after such Buyer's request and in such Buyer's discretion, either (i) pay cash to such Buyer in an amount equal to such Buyer's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any, for the shares of Common Stock so purchased) (the "**Buy-In Price**"), at which point the Company's obligation to so deliver such certificate or credit such Buyer's balance account shall terminate and such shares shall be cancelled, or (ii) promptly honor its obligation to so deliver to such Buyer a certificate or certificates or credit the balance account of such Buyer or such Buyer's designee with DTC representing such number of shares of Common Stock that would have been so delivered if the Company timely complied with its obligations hereunder and pay cash to such Buyer in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of shares of Conversion Shares that the Company was required to deliver to such Buyer by the Required Delivery Date multiplied by (B) the lowest Closing Sale Price of the shares of Common Stock on any Trading Day during the period commencing on the date of the delivery by such Buyer to the Company of the applicable Conversion Shares and ending on the date of such delivery and payment under this clause (ii). Nothing shall limit such Buyer's right to pursue any other remedies available to it hereunder, at law or in equity, including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock (or to electronically deliver such shares of Common Stock) as required pursuant to the terms hereof. Notwithstanding anything herein to the contrary, with respect to any given Notice Failure and/or Delivery Failure, this Section 5(e) shall not apply to the applicable Buyer the extent the Company has already paid such amounts in full to such Buyer with respect to such Notice Failure and/or Delivery Failure, as applicable, pursuant to the analogous sections of the Note held by such Buyer.

(f) FAST Compliance. While any Notes remain outstanding, the Company shall use reasonable best efforts to maintain a transfer agent that participates in the DTC Fast Automated Securities Transfer Program.

6. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

The obligation of the Company hereunder to issue and sell the Notes to each Buyer at each Closing is subject to the satisfaction, at or before each Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion by providing each Buyer with prior written notice thereof:

(a) Such Buyer shall have executed each of the other Transaction Documents to which it is a party and delivered the same to the Company.

(b) Such Buyer and each other Buyer shall have delivered to the Company the Purchase Price (less, in the case of any Buyer, the amounts withheld pursuant to Section 4(g)) for the Notes being purchased by such Buyer at each Closing by wire transfer of immediately available funds in accordance with the Flow of Funds Letter.

(c) The representations and warranties of such Buyer shall be true and correct in all material respects as of the date when made and as of each Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date), and such Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by such Buyer at or prior to each Closing Date.

7. CONDITIONS TO EACH BUYER'S OBLIGATION TO PURCHASE

The obligation of each Buyer hereunder to purchase its Notes at each Closing is subject to the satisfaction, at or before each Closing Date, of each of the following conditions, provided that these conditions are for each Buyer's sole benefit and may be waived by such Buyer at any time in its sole discretion by providing the Company with prior written notice thereof:

(a) The Company shall have duly executed and delivered to such Buyer each of the Transaction Documents to which it is a party and the Company shall have duly executed and delivered to such Buyer a Note in such original principal amount as is set forth across from such Buyer's name in column (3) of the Schedule of Buyers attached hereto.

(b) Such Buyer shall have received the opinion of Pryor Cashman LLP, the Company's counsel, dated as of the applicable Closing Date, in the form acceptable to such Buyer.

(c) The Company shall have delivered to such Buyer a copy of the Irrevocable Transfer Agent Instructions, in the form acceptable to such Buyer, which instructions shall have been delivered to and acknowledged in writing by the Company's transfer agent.

(d) The Company shall have delivered to such Buyer a duly executed copy of each of the Security Agreement, the Registration Rights Agreement and the Voting Agreement, each dated as of the First Closing Date.

(e) The Company shall have delivered to such Buyer a certificate evidencing the formation and good standing of the Company and each of its Subsidiaries in each such entity's jurisdiction of formation issued by the Secretary of State (or comparable office) of such jurisdiction of formation as of a date within thirty (30) days of the applicable Closing Date.

(f) The Company shall have delivered to such Buyer a certificate evidencing the Company's and each Subsidiary's qualification as a foreign corporation and good standing issued by the Secretary of State (or comparable office) of each jurisdiction in which the Company and each Subsidiary conducts business and is required to so qualify, as of a date within thirty (30) days of the applicable Closing Date where failure to so qualify would result in a Material Adverse Effect.

(g) The Company shall have delivered to such Buyer a certified copy of the Charter as certified by the Secretary of State (or comparable office) of its jurisdiction of incorporation within thirty (30) days of the applicable Closing Date.

(h) Each Subsidiary shall have delivered to such Buyer a certified copy of its Certificate of Incorporation (or such equivalent organizational document) as certified by the Secretary of State (or comparable office) of such Subsidiary's jurisdiction of incorporation within thirty (30) days of the applicable Closing Date.

(i) The Company shall have delivered to such Buyer a certificate, in the form acceptable to such Buyer, executed by an officer of the Company and dated as of the applicable Closing Date, as to (i) the resolutions consistent with Section 3(b) as adopted by the Company's board of directors in a form reasonably acceptable to such Buyer, (ii) the Charter of the Company and the organizational documents of each Subsidiary, and (iii) the bylaws of each Subsidiary, if applicable, each as in effect at each Closing.

(j) Each and every representation and warranty of the Company shall be true and correct as of the date when made and as of the applicable Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the applicable Closing Date. Such Buyer shall have received a certificate, duly executed by the Chief Executive Officer of the Company, dated as of the applicable Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by such Buyer in the form acceptable to such Buyer.

(k) The Company shall have delivered to such Buyer a letter from the Transfer Agent certifying the number of shares of Common Stock outstanding on the applicable Closing Date immediately prior to the Closing.

(l) The shares of Common Stock (i) shall be designated for quotation or listed (as applicable) on the Trading Market, and (ii) shall not have been suspended, as of the applicable Closing Date, by the SEC or the Trading Market from trading on the Trading Market nor shall suspension by the SEC or the Trading Market have been threatened, as of the applicable Closing Date, either (A) in writing by the SEC or the Trading Market, or (B) by falling below the minimum maintenance requirements of the Trading Market.

(m) The Company shall have obtained all governmental, regulatory or third-party consents and approvals, if any, necessary for the sale of the Notes, including without limitation, those required by the Trading Market, if any.

(n) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or Governmental Entity of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(o) Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably would have or result in a Material Adverse Effect.

(p) The Company shall have obtained approval of the Trading Market to list or designate for quotation (as the case may be) the Conversion Shares.

(q) Such Buyer shall have received a letter on the letterhead of the Company, duly executed by an officer of the Company, setting forth the wire amounts of each Buyer and the wire transfer instructions of the Company (the "**Flow of Funds Letter**").

(r) Such Buyer shall have received a letter duly executed by Fiza Investments Limited ("Fiza") with respect to extending maturities of certain Indebtedness of the Company held by Fiza and its affiliates in a form reasonably acceptable to such Buyer.

(s) Such Buyer shall have received a copy of the additional shares listing application covering the Conversion Shares underlying the First Note and the Second Note filed with the Trading Market on or prior to the Closing Date.

(t) The Company and its Subsidiaries shall have delivered to such Buyer such other documents, instruments or certificates relating to the transactions contemplated by this Agreement as such Buyer or its counsel may reasonably request.

8. TERMINATION

This Agreement shall automatically terminate as between the Company and a Buyer upon the occurrence of any of the following:

(a) the mutual written consent of the Company and such Buyer; or

(b) the delivery of written notice to terminate by either the Company or such Buyer in the event that the Second Closing shall not have occurred with respect to a Buyer within five (5) Business Days following the date of the Second Closing Notice, then such Party shall have the right to terminate its obligations under this Agreement with respect to itself and with respect to the Second Closing only at any time on or after the close of business on such date without liability of such Party to any other Party; provided that (i) the right to terminate this Agreement under this Section 8(b) shall not be available to such Party if the failure of the transactions contemplated by this Agreement to have been consummated by such date is the result of such Party's breach of this Agreement and (ii) the abandonment of the sale and purchase of the Notes in the Second Closing shall be applicable only to such Buyer providing such written notice, provided further that no such termination under this Section 8(b) shall affect any obligation of the Company under this Agreement to reimburse such Buyer for the expenses described in Section 4(g) above.

Nothing contained in this Section 8 shall be deemed to release any Party from any liability for any breach by such Party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement or the other Transaction Documents.

9. MISCELLANEOUS.

(a) Governing Law; Jurisdiction; Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, County of New York, for the adjudication of any dispute hereunder or in connection herewith or under any of the other Transaction Documents or with any transaction contemplated hereby or thereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. 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 to such party at the address for such 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 manner permitted by law. Nothing contained herein shall be deemed or operate to preclude any Buyer from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to such Buyer or to enforce a judgment or other court ruling in favor of such Buyer. **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR UNDER ANY OTHER TRANSACTION DOCUMENT OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.**

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such signature page 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 signature page were an original thereof.

(c) Headings; Gender. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(d) Severability; Maximum Payment Amounts. If any provision of this Agreement is prohibited by law or otherwise determined to be invalid or unenforceable by a court of competent jurisdiction, the provision that would otherwise be prohibited, invalid or unenforceable shall be deemed amended to apply to the broadest extent that it would be valid and enforceable, and the invalidity or unenforceability of such provision shall not affect the validity of the remaining provisions of this Agreement so long as this Agreement as so modified continues to express, without material change, the original intentions of the Parties as to the subject matter hereof and the prohibited nature, invalidity or unenforceability of the provision(s) in question does not substantially impair the respective expectations or reciprocal obligations of the Parties or the practical realization of the benefits that would otherwise be conferred upon the Parties. The Parties will endeavor in good faith negotiations to replace the prohibited, invalid or unenforceable provision(s) with a valid provision(s), the effect of which comes as close as possible to that of the prohibited, invalid or unenforceable provision(s). Notwithstanding anything to the contrary contained in this Agreement or any other Transaction Document (and without implication that the following is required or applicable), it is the intention of the Parties that in no event shall amounts and value paid by the Company and/or any of its Subsidiaries (as the case may be), or payable to or received by any of the Buyers, under the Transaction Documents (including without limitation, any amounts that would be characterized as "interest" under applicable law) exceed amounts permitted under any applicable law. Accordingly, if any obligation to pay, payment made to any Buyer, or collection by any Buyer pursuant the Transaction Documents is finally judicially determined to be contrary to any such applicable law, such obligation to pay, payment or collection shall be deemed to have been made by mutual mistake of such Buyer, the Company and its Subsidiaries and such amount shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by the applicable law. Such adjustment shall be effected, to the extent necessary, by reducing or refunding, at the option of such Buyer, the amount of interest or any other amounts which would constitute unlawful amounts required to be paid or actually paid to such Buyer under the Transaction Documents. For greater certainty, to the extent that any interest, charges, fees, expenses or other amounts required to be paid to or received by such Buyer under any of the Transaction Documents or related thereto are held to be within the meaning of "interest" or another applicable term to otherwise be violative of applicable law, such amounts shall be pro-rated over the period of time to which they relate.

(e) Entire Agreement; Amendments. This Agreement, the other Transaction Documents and the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein supersede all other prior oral or written agreements between the Buyers, the Company, its Subsidiaries, their affiliates and Persons acting on their behalf, including, without limitation, any

transactions by any Buyer with respect to the Securities, and the other matters contained herein and therein, and this Agreement, the other Transaction Documents, the schedules and exhibits attached hereto and thereto and the instruments referenced herein and therein contain the entire understanding of the Parties solely with respect to the matters covered herein and therein; provided, however, nothing contained in this Agreement or any other Transaction Document shall (or shall be deemed to) (i) have any effect on any agreements any Buyer has entered into with, or any instruments any Buyer has received from, the Company or any of its Subsidiaries prior to the Subscription Date with respect to any prior investment made by such Buyer in the Company or (ii) waive, alter, modify or amend in any respect any obligations of the Company or any of its Subsidiaries, or any rights of or benefits to any Buyer or any other Person, in any agreement entered into prior to the Subscription Date between or among the Company and/or any of its Subsidiaries and any Buyer, or any instruments any Buyer received from the Company and/or any of its Subsidiaries prior to the Subscription Date, and all such agreements and instruments shall continue in full force and effect. Except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. For clarification purposes, the Recitals are part of this Agreement. No provision of this Agreement may be amended other than by an instrument in writing signed by the Company and the Required Holders, and any amendment to any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Securities, as applicable; provided that no such amendment shall be effective to the extent that it (A) applies to less than all of the holders of the Securities then outstanding or (B) imposes any obligation or liability on any Buyer without such Buyer's prior written consent (which may be granted or withheld in such Buyer's sole discretion). No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party, provided that the Required Holders may waive any provision of this Agreement, and any waiver of any provision of this Agreement made in conformity with the provisions of this Section 9(e) shall be binding on all Buyers and holders of Securities, as applicable, provided that no such waiver shall be effective to the extent that it (1) applies to less than all of the holders of the Securities then outstanding (unless a party gives a waiver as to itself only) or (2) imposes any obligation or liability on any Buyer without such Buyer's prior written consent (which may be granted or withheld in such Buyer's sole discretion). No consideration (other than reimbursement of legal fees) shall be offered or paid to any Person to amend or consent to a waiver or modification of any provision of any of the Transaction Documents unless the same consideration also is offered to all of the parties to the Transaction Documents, all holders of the Notes. From the Subscription Date and while any Notes are outstanding, the Company shall not be permitted to receive any consideration from a Buyer or a holder of Notes that is not otherwise contemplated by the Transaction Documents in order to, directly or indirectly, induce the Company or any Subsidiary (i) to treat such Buyer or holder of Notes in a manner that is more favorable than to other similarly situated Buyers or holders of Notes, as applicable, or (ii) to treat any Buyer(s) or holder(s) of Notes in a manner that is less favorable than the Buyer or holder of Notes that is paying such consideration; provided, however, that the determination of whether a Buyer has been treated more or less favorably than another Buyer shall disregard any securities of the Company purchased or sold by any Buyer. The Company has not, directly or indirectly, made any agreements with any Buyers relating to the terms or conditions of the transactions contemplated by the Transaction Documents except as set forth in the Transaction Documents. Without limiting the foregoing, the Company confirms that, except as set forth in this Agreement, no Buyer has made any commitment or promise or has any other obligation to provide any financing to the Company, any Subsidiary or otherwise. As a material inducement for each Buyer to enter into this Agreement, the Company expressly acknowledges and agrees that no due diligence or other investigation or inquiry conducted by a Buyer, any of its advisors or any of its representatives shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document, nothing contained in any of the SEC Documents shall affect such Buyer's right to rely on, or shall modify or qualify in any manner or be an exception to any of, the Company's representations and warranties contained in this Agreement or any other Transaction Document. "**Required Holders**" means (I) prior to the Frist Closing Date, each Buyer entitled to purchase Notes at the First Closing and (II) on or after the First Closing Date, holders of a majority of the Registrable Securities as of such time (excluding any Registrable Securities held by the Company or any of its Subsidiaries as of such time) issued or issuable hereunder or pursuant to the Notes.

(f) Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery or electronic mail delivery at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The address for such communications shall be:

If to the Company:

zSpace, Inc.

55 Nicholson Lane
San Jose, California 95134
Attention: Paul Kellenberger
E-mail: pkellenberger@zspace.com

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

Pryor Cashman LLP
7 Times Square
New York, NY 10036
Telephone Number: (212) 421-4100
Email: ali.panjwani@pryorcashman.com
Attention: M. Ali Panjwani, Esq.

If to the Transfer Agent:

Odyssey Transfer and Trust Company
2155 Woodlane Drive, Suite 100
Woodbury, Minnesota 55125

If to a Buyer, to its address and e-mail address set forth on the Schedule of Buyers, with a copy of any notice sent to the lead Buyer (which copy shall not constitute notice) to:

Sullivan & Worcester, LLP
1251 Avenue of the Americas
New York, NY 10020
Telephone Number: (212) 660-3060
Email: ddanovitch@sullivanlaw.com
Attention: David E. Danovitch, Esq.

or to such other address or e-mail address and/or to the attention of such other Person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) electronically generated by the sender's e-mail containing the time, date, and recipient email address, or (C) provided by an overnight courier service shall be rebuttable evidence of personal service.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns, including any purchasers of any of the Notes. The Company shall not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Required Holders, including, without limitation, by way of a Fundamental Transaction (as defined in the Notes) (unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Notes). A Buyer may assign some or all of its rights hereunder in connection with any transfer of any of its Securities without the consent of the Company, in which event such assignee shall be deemed to be a Buyer hereunder with respect to such assigned rights.

(h) No Third-Party Beneficiaries. This Agreement is intended for the benefit of the Parties and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Indemnitees referred to in Section 9(k).

(i) Survival. The representations, warranties, agreements and covenants shall survive each Closing. Each Buyer shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably

request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(k) Indemnification. In consideration of each Buyer's execution and delivery of the Transaction Documents and acquiring the Securities thereunder and in addition to all of the Company's other obligations under the Transaction Documents, the Company shall defend, protect, indemnify and hold harmless each Buyer and each holder of any Securities and all of their stockholders, partners, members, officers, directors, employees and direct or indirect investors and any of the foregoing Persons' agents or other representatives (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "**Indemnitees**") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (unless such action is solely based upon a material breach of such Indemnitee's representations, warranties, or covenants under the Transaction Documents or any agreements or understandings such Indemnitee may have with any such stockholder or any violations by such Indemnitee of state or federal securities laws or any conduct by such Indemnitee which is finally judicially determined to constitute fraud, gross negligence, or willful misconduct) (the "**Indemnified Liabilities**"), incurred by any Indemnitee as a result of, or arising out of, or relating to (i) any misrepresentation or breach of any representation or warranty made by the Company or any Subsidiary in any of the Transaction Documents, (ii) any breach of any covenant, agreement or obligation of the Company or any Subsidiary contained in any of the Transaction Documents or (iii) any cause of action, suit, proceeding or claim brought or made against such Indemnitee by a third party (including for these purposes a derivative action brought on behalf of the Company or any Subsidiary) or which otherwise involves such Indemnitee that arises out of or results from (A) the execution, delivery, performance or enforcement of any of the Transaction Documents, (B) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of the issuance of the Securities, (C) any disclosure properly made by such Buyer pursuant to Section 4(i), or (D) the status of such Buyer or holder of the Securities either as an investor in the Company pursuant to the transactions contemplated by the Transaction Documents or as a party to this Agreement (including, without limitation, as a party in interest or otherwise in any action or proceeding for injunctive or other equitable relief). To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

(l) Construction. The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rules of strict construction will be applied against any party. No specific representation or warranty shall limit the generality or applicability of a more general representation or warranty. Each and every reference to share prices, shares of Common Stock and any other numbers in this Agreement that relate to the shares of Common Stock shall be automatically adjusted for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions that occur with respect to the shares of Common Stock after the Subscription Date.

(m) Remedies. Each Buyer and in the event of assignment by such Buyer of its rights and obligations hereunder, each holder of Securities, shall have all rights and remedies set forth in the Transaction Documents and all rights and remedies which such holders have been granted at any time under any other agreement or contract and all of the rights which such holders have under any law. Any Person having any rights under any provision of this Agreement shall be entitled to enforce such rights specifically (without posting a bond or other security), to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. Furthermore, the Company recognizes that in the event that it or any Subsidiary fails to perform, observe, or discharge any or all of its or such Subsidiary's (as the case may be) obligations under the Transaction Documents, any remedy at law would inadequate relief to the Buyers. The Company therefore agrees that the Buyers shall be entitled to specific performance and/or temporary, preliminary and permanent injunctive or other equitable relief from any court of competent jurisdiction in any such case without the necessity of proving actual damages and without posting a bond or other security. The remedies provided in this Agreement and the other Transaction Documents shall be cumulative and in addition to all other remedies available under this Agreement and the other Transaction Documents, at law or in equity (including a decree of specific performance and/or other injunctive relief).

(n) Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Buyer exercises a right, election, demand or option under a Transaction Document and the Company or any Subsidiary does not timely perform its related obligations within the periods therein provided, then such Buyer may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company or such Subsidiary (as the case may be), any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

(o) Payment Set Aside; Currency. To the extent that the Company makes a payment or payments to any Buyer hereunder or pursuant to any of the other Transaction Documents or any of the Buyers enforce or exercise their rights hereunder or 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, foreign, 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. Unless otherwise expressly indicated, all dollar amounts referred to in this Agreement and the other Transaction Documents are in United States Dollars ("**U.S. Dollars**"), and all amounts owing under this Agreement and all other Transaction Documents shall be paid in U.S. Dollars. All amounts denominated in other currencies (if any) shall be converted into the U.S. Dollar equivalent amount in accordance with the Exchange Rate on the date of calculation. "**Exchange Rate**" means, in relation to any amount of currency to be converted into U.S. Dollars pursuant to this Agreement, the U.S. Dollar exchange rate as published in the Wall Street Journal on the relevant date of calculation.

(p) Judgment Currency.

(i) If for the purpose of obtaining or enforcing judgment against the Company in connection with this Agreement or any other Transaction Document in any court in any jurisdiction it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 9(p) referred to as the "**Judgment Currency**") an amount due in U.S. Dollars under this Agreement, the conversion shall be made at the Exchange Rate prevailing on the Trading Day immediately preceding:

(A) the date actual payment of the amount due, in the case of any proceeding in the courts of New York or in the courts of any other jurisdiction that shall give effect to such conversion being made on such date: or

(B) the date on which the foreign court determines, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 9(p)(i)(B) being hereinafter referred to as the "**Judgment Conversion Date**").

(ii) If in the case of any proceeding in the court of any jurisdiction referred to in Section 9(p)(i)(B) above, there is a change in the Exchange Rate prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the applicable party shall pay such adjusted amount as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the Exchange Rate prevailing on the date of payment, shall produce the amount of U.S. Dollars which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the Exchange Rate prevailing on the Judgment Conversion Date.

(iii) Any amount due from the Company under this provision shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement or any other Transaction Document.

(q) Independent Nature of Buyers' Obligations and Rights. The obligations of each Buyer under the Transaction Documents are several and not joint with the obligations of any other Buyer, and no Buyer shall be responsible in any way for the performance of the obligations of any other Buyer under any Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by any Buyer pursuant hereto or thereto, shall be deemed to constitute the Buyers as, and the Company acknowledges that the Buyers do not so constitute, a partnership, an association, a joint venture or any other kind of group or entity, or create a presumption that the Buyers are in any way acting in concert or as a group or entity, and the Company shall not assert any such claim with respect to such obligations or the transactions contemplated by the Transaction Documents or any matters, and the Company acknowledges that the Buyers are not acting in concert or as a group, and the Company shall not assert any such claim, with respect to such obligations or the transactions contemplated by the Transaction Documents. The decision of each Buyer to purchase Securities pursuant to the Transaction Documents has been made by such Buyer independently of any other Buyer. Each Buyer acknowledges that no other Buyer has acted as agent for such Buyer in connection with such Buyer making its investment hereunder and that no other Buyer shall be acting as agent of such Buyer in connection with monitoring such Buyer's investment in the Securities or enforcing its rights under the Transaction Documents. The Company and each Buyer confirms that each Buyer has independently participated with the Company and its Subsidiaries in the negotiation of the transaction contemplated hereby with the advice of its own counsel and advisors. Each Buyer

shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement or out of any other Transaction Documents, and it shall not be necessary for any other Buyer to be joined as an additional party in any proceeding for such purpose. The use of a single agreement to effectuate the purchase and sale of the Securities contemplated hereby was solely in the control of the Company, not the action or decision of any Buyer, and was done solely for the convenience of the Company and its Subsidiaries and not because it was required or requested to do so by any Buyer. It is expressly understood and agreed that each provision contained in this Agreement and in each other Transaction Document is between the Company, each Subsidiary and a Buyer, solely, and not between the Company, its Subsidiaries and the Buyers collectively and not between and among the Buyers.

[*Signature pages follow.*]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Agreement to be duly executed as of the Subscription Date.

COMPANY:

ZSPACE, INC.

By: _____
Name:
Title:

[Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, each Buyer and the Company have caused their respective signature page to this Agreement to be duly executed as of the Subscription Date.

BUYER:

By:

By: _____
Name:
Title:

[Signature Page to Securities Purchase Agreement]

SCHEDULE OF BUYERS

EXHIBIT A

FORM OF NOTE

[See attached.]

EXHIBIT B

FORM OF SECURITY AGREEMENT

[See attached.]

EXHIBIT C

FORM OF REGISTRATION RIGHTS AGREEMENT

[See attached.]

EXHIBIT D

FORM OF VOTING AGREEMENT

[See attached.]

DISCLOSURE SCHEDULES

[To be provided]

Exhibit 10.2

Execution Version

REGISTRATION RIGHTS AGREEMENT

This **REGISTRATION RIGHTS AGREEMENT** (this "***Agreement***"), dated as of April 11, 2025, is by and between [•], a Delaware limited partnership (the "***Investor***"), and zSpace, Inc., a Delaware corporation (the "***Company***").

RECITALS

A. The Company and the Investor have entered into that certain Securities Purchase Agreement, dated as of the date hereof (the "***Purchase Agreement***"), pursuant to which the Company has agreed, upon the terms and subject to the conditions of the Purchase Agreement, to issue and sell the Investor the Notes (as defined in the Purchase Agreement), which will be convertible into Conversion Shares (as defined in the Purchase Agreement) in accordance with the terms of the Notes.

B. Pursuant to the terms of, and in consideration for the Investor entering into, the Purchase Agreement, and to induce the Investor to execute and deliver the Purchase Agreement, the Company has agreed to provide the Investor with certain registration rights with respect to the Registrable Securities (as defined herein) as set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained herein and in the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound hereby, the Company and the Investor hereby agree as follows:

1. Definitions.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) "***Agreement***" shall have the meaning assigned to such term in the preamble of this Agreement.

(b) "***Allowable Grace Period***" shall have the meaning assigned to such term in Section 3(p).

(c) "***Blue Sky Filing***" shall have the meaning assigned to such term in Section 6(a).

(d) "***Business Day***" means any day other than Saturday, Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to remain closed.

(e) "***Claims***" shall have the meaning assigned to such term in Section 6(a).

(f) "***Commission***" means the U.S. Securities and Exchange Commission or any successor entity.

(g) "***Company***" shall have the meaning assigned to such term in the preamble of this Agreement.

(h) "***Company Party***" shall have the meaning assigned to such term in Section 6(b).

(i) "***Effective Date***" means the date that the applicable Registration Statement has been declared effective by the Commission.

(j) "***Effectiveness Deadline***" means (i) with respect to the Initial Registration Statement required to be filed to pursuant to Section 2(a), the earlier of (A) the seventy fifth (75^{th}) calendar day immediately after the date of this Agreement, if the Commission reviews the Initial Registration Statement, or the thirtieth (30^{th}) calendar day immediately after the date of this Agreement, if the Commission does not review the Initial Registration Statement, and (B) if the Company is notified (orally or in writing) by the Commission that the Initial Registration Statement will not be reviewed by the Commission, the fifth (5^{th}) Trading Day after the date the Company receives such oral or written notification, and (ii) with respect to any New Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the earlier of (A) the seventy fifth (75^{th}) calendar day immediately after the Filing Deadline with respect to such New Registration Statement, if the Commission reviews such New Registration Statement, and (B) if the Company is notified (orally or in writing) by the Commission that such New Registration Statement will not be reviewed by the Commission, the fifth (5^{th}) Trading Day after the date the Company receives such oral or written notification.

(k) "***Filing Deadline***" means (i) with respect to the Initial Registration Statement required to be filed to pursuant to Section 2(a), the eighth (8^{th}) Business Day immediately after the date of this Agreement and (ii) with respect to any New Registration Statements that may be required to be filed by the Company pursuant to this Agreement, the fifteen (15^{th}) calendar day following the sale of substantially all of the Registrable Securities included in the Initial Registration Statement or the most recent prior New Registration Statement, as applicable, or such other date as permitted by the Commission.

(l) "***Indemnified Damages***" shall have the meaning assigned to such term in Section 6(a).

(m) "***Initial Registration Statement***" shall have the meaning assigned to such term in Section 2(a).

(n) "***Investor***" shall have the meaning assigned to such term in the preamble of this Agreement.

(o) "***Investor Party***" and "Investor Parties" shall have the meaning assigned to such terms in Section 6(a).

(p) "***Legal Counsel***" shall have the meaning assigned to such term in Section 2(b).

(q) "***New Registration Statement***" shall have the meaning assigned to such term in Section 2(c).

(r) "***Person***" means any person or entity, whether a natural person, trustee, corporation, partnership, limited partnership, limited liability company, trust, unincorporated organization, business association, firm, joint venture, governmental agency or authority.

(s) "***Prospectus***" means the prospectus in the form included in the Registration Statement at the applicable Effective Date of the Registration Statement, as supplemented from time to time by any Prospectus Supplement, including the documents incorporated by reference therein.

(t) "***Prospectus Supplement***" means any prospectus supplement to the Prospectus filed with the Commission from time to time pursuant to Rule 424(b) under the Securities Act, including the documents incorporated by reference therein.

(u) "***Purchase Agreement***" shall have the meaning assigned to such term in the recitals to this Agreement.

(v) "***register***," "***registered***," and "***registration***" refer to a registration effected by preparing and filing one or more Registration Statements in compliance with the Securities Act and pursuant to Rule 415 and the declaration of effectiveness of such Registration Statement(s) by the Commission.

(w) "***Registrable Securities***" means all of the following, (i) the maximum number of Conversion Shares issuable upon conversion of the Notes (without regard to any conversion limitations therein), and (ii) any capital stock of the Company issued or issuable with respect to such shares, including, without limitation, (1) as a result of any stock split, stock dividend, recapitalization, exchange or similar event or otherwise and (2) shares of capital stock of the Company into which the shares of Common Stock are converted or exchanged and shares of capital stock of a successor entity into which the shares of Common Stock are converted or exchanged, in each case until such time as such securities cease to be Registrable Securities pursuant to Section 2(f).

(x) "***Registration Statement***" means a registration statement or registration statements of the Company filed under the Securities Act covering the resale by the Investor of Registrable Securities, as such registration statement or registration statements may be amended and supplemented from time to time, including all documents filed as part thereof or incorporated by reference therein.

(y) "***Registration Period***" shall have the meaning assigned to such term in Section 3(a).

(z) "***Rule 144***" means Rule 144 promulgated by the Commission under the Securities Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the Commission that may at any time permit the Investor to sell securities of the Company to the public without registration.

(aa) "***Rule 415***" means Rule 415 promulgated by the Commission under the Securities Act, as such rule may be amended from time to time, or any other similar or successor rule or regulation of the Commission providing for offering securities on a delayed or continuous basis.

(bb) "***Staff***" shall have the meaning assigned to such term in Section 2(c).

(cc) "***Violations***" shall have the meaning assigned to such term in Section 6(a).

2. Registration.

(a) Mandatory Registration. The Company shall prepare and, as soon as practicable, but in no event later than the Filing Deadline, file with the Commission the Initial Registration Statement on Form S-1 (or any successor form and another appropriate form) covering the resale by the Investor of the maximum number of Registrable Securities as shall be permitted to be included thereon in accordance with applicable Commission rules, regulations and interpretations so as to permit the resale of such Registrable Securities by the Investor under Rule 415 under the Securities Act at then prevailing market prices (and not fixed prices) (the "***Initial Registration Statement***"). If a draft of the applicable Registration Statement in substantially completed form is delivered to Legal Counsel (as defined in Section 2(b)) within the timeline set forth in Section 3(c) and Legal Counsel fails to provide comments in its review on or before the earlier of (i) the date prior to the applicable Filing Deadline, and (ii) the third Business Day after receipt of such draft, then the Filing Deadline may be extended by the number of days of the delay of such comments. The Initial Registration Statement shall contain the "Selling Shareholder" and "Plan of Distribution" sections in substantially the form attached hereto as Exhibit A, with changes relating to the securities and holders thereof set forth on Schedule 2(d) and reasonably acceptable to the Investor and Legal Counsel. The Company shall use its commercially reasonable best efforts to have the Initial Registration Statement declared effective by the Commission as soon as reasonably practicable, but in no event later than the applicable Effectiveness Deadline.

(b) Legal Counsel. The Investor shall have the right to select one legal counsel to review, solely on its behalf, any registration statement pursuant to this Section 2 ("***Legal Counsel***"), which shall be Sullivan & Worcester LLP, or such other counsel as thereafter designated by the Investor. The Company shall reimburse the Investor for reasonable legal fees and expenses of the Legal Counsel incurred in connection with its review of any registration statement pursuant to this Section 2.

(c) Sufficient Number of Shares Registered. If at any time all Registrable Securities are not covered by the Initial Registration Statement filed pursuant to Section 2(a) as a result of Section 2(e) or otherwise, the Company shall use its commercially reasonable efforts to file with the Commission one or more additional Registration Statements so as to cover all of the Registrable Securities not covered by the Initial Registration Statement, in each case, as soon as practicable (taking into account any position of the staff of the Commission ("***Staff***") with respect to the date on which the Staff will permit such additional Registration Statement(s) to be filed with the Commission and the rules and regulations of the Commission) (each such additional Registration Statement, a "***New Registration Statement***"), but in no event later than the applicable Filing Deadline for such New Registration Statement(s). The Company shall use its commercially reasonable efforts to cause each such New Registration Statement to become effective as soon as reasonably practicable following the filing thereof with the Commission, but in no event later than the applicable Effectiveness Deadline for such New Registration Statement.

(d) No Inclusion of Other Securities. Other than the securities set forth on Schedule 2(d) to this Agreement (the "***Other Securities***"), the Company shall not include any securities other than Registrable Securities on any Registration Statement pursuant to Section 2(a) or Section 2(c) without notifying the Investor prior to filing such Registration Statement. If the Staff or the Commission advises the Company verbally or in writing that the number of shares of Common Stock requested to be included in the applicable Registration Statement exceeds the amount that can be included in such Registration Statement, then, to extent necessary to satisfy such comments, up to all of the Other Securities shall be removed from the Registration Statement.

(e) Offering. If the Staff or the Commission seeks to characterize any offering pursuant to a Registration Statement filed pursuant to this Agreement as constituting an offering of securities that does not permit such Registration Statement to become effective and be used for resales by the Investor on a delayed or continuous basis under Rule 415 at then-prevailing market prices (and not fixed prices), or if after the filing of any Registration Statement pursuant to Section 2(a) or Section 2(c), the Company is otherwise required by the Staff or the Commission to reduce the number of Registrable Securities included in such Registration Statement, then the Company shall reduce the number of Registrable Securities to be included in such Registration Statement (after consultation with the Investor and Legal Counsel as to the specific Registrable Securities to be removed therefrom) until such time as the Staff and the Commission shall so permit such Registration Statement to become effective and be used as aforesaid. Notwithstanding anything in this Agreement to the contrary, if after giving effect to the actions referred to in the immediately preceding sentence, the Staff or the Commission does not permit such Registration Statement to become effective and be used for resales by the Investor on a delayed or continuous basis under Rule 415 at then-prevailing market prices (and not fixed prices), the Company shall not request acceleration of the Effective Date of such Registration Statement and shall promptly (but in no event later than 48 hours) request the withdrawal of such Registration Statement pursuant to Rule 477 under the Securities Act, and the Effectiveness Deadline shall automatically be deemed to have elapsed with respect to such Registration Statement at such time as the Staff or the Commission has made a final and non-appealable determination that the Commission will not permit such Registration Statement to be so utilized (unless prior to such time the Company has received assurances from the Staff or the Commission that a New Registration Statement filed by the Company with the Commission promptly thereafter may be so utilized). In the event of any reduction in Registrable Securities pursuant to this paragraph, the Company shall use its commercially reasonable efforts to file one or more New Registration Statements with the Commission in accordance with Section 2(c) until such time as all Registrable Securities have been included in Registration Statements that have been declared effective and the Prospectuses contained therein are available for use by the Investor.

(f) Any Registrable Security shall cease to be a "Registrable Security" at the earliest of the following: (i) when a Registration Statement covering such Registrable Security becomes or has been declared effective by the Commission and such Registrable Security has been sold or disposed of pursuant to such effective Registration Statement; (ii) when such Registrable Security is held by the Company or one of its Subsidiaries; and (iii) the date that is the later of (A) the first (1^{st}) anniversary of the effective date of termination of the Purchase Agreement in accordance with Article VIII of the Purchase Agreement and (B) the first (1^{st}) anniversary of the date of the last sale of any Registrable Securities by the Company to the Investor pursuant to the Purchase Agreement.

3. Related Obligations.

The Company shall use its commercially reasonable efforts to effect the registration of the Registrable Securities in accordance with the intended method of disposition thereof, and, pursuant thereto, during the term of this Agreement, the Company shall have the following obligations:

(a) The Company shall promptly prepare and file with the Commission the Initial Registration Statement pursuant to Section 2(a) hereof and one or more New Registration Statements pursuant to Section 2(c) hereof with respect to the Registrable Securities, but in no event later than the applicable Filing Deadline therefor, and the Company shall use its commercially reasonable efforts to cause each such Registration Statement to become effective as soon as practicable after such filing, but in no event later than the applicable Effectiveness Deadline therefor. Subject to Allowable Grace Periods, the Company shall keep each Registration Statement effective (and the Prospectus contained therein available for use) pursuant to Rule 415 for resales by the Investor on a continuous basis at then-prevailing market prices (and not fixed prices) at all times until the earlier of (i) the date on which the Investor shall have sold all of the Registrable Securities covered by such Registration Statement and (ii) the date of termination of the Purchase Agreement if as of such termination date the Investor holds no Registrable Securities (or, if applicable, the date on which such securities cease to be Registrable Securities after the date of termination of the Purchase Agreement) (the "***Registration Period***"). Notwithstanding anything to the contrary contained in this Agreement (but subject to the provisions of Section 3(p) hereof), the Company shall ensure that, when filed

and at all times while effective, each Registration Statement (including, without limitation, all amendments and supplements thereto) and the Prospectus (including, without limitation, all amendments and supplements thereto) used in connection with such Registration Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of Prospectuses, in the light of the circumstances in which they were made) not misleading. The Company shall submit to the Commission, as soon as reasonably practicable after the date that the Company learns that no review of a particular Registration Statement will be made by the Staff or that the Staff has no further comments on a particular Registration Statement (as the case may be), a request for acceleration of effectiveness of such Registration Statement to a time and date as soon as reasonably practicable in accordance with Rule 461 under the Securities Act.

(b) Subject to Section 3(p) of this Agreement, the Company shall use its commercially reasonable efforts to prepare and file with the Commission such amendments (including, without limitation, post-effective amendments) and supplements to each Registration Statement and the Prospectus used in connection with each such Registration Statement, which Prospectus is to be filed pursuant to Rule 424 promulgated under the Securities Act, as may be necessary to keep each such Registration Statement effective (and the Prospectus contained therein current and available for use) at all times during the Registration Period for such Registration Statement, and, during such period, comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities of the Company required to be covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the Investor. Without limiting the generality of the foregoing, the Company covenants and agrees that at or before 8:30 a.m. (New York City time) on the second (2^{nd}) Trading Day immediately following the Effective Date of the Initial Registration Statement and any New Registration Statement (or any post-effective amendment thereto), the Company shall file with the Commission in accordance with Rule 424(b) under the Securities Act the final Prospectus to be used in connection with sales pursuant to such Registration Statement (or post-effective amendment thereto). In the case of amendments and supplements to any Registration Statement on Form S-1 or Prospectus related thereto which are required to be filed pursuant to this Agreement (including, without limitation, pursuant to this Section 3(b)) by reason of the Company filing a report on Form 8-K or Form 10-K or any analogous report under the Exchange Act, the Company shall have incorporated such report by reference into such Registration Statement and Prospectus, if applicable, or shall promptly file such amendments or supplements to the Registration Statement or Prospectus with the Commission, for the purpose of including or incorporating such report into such Registration Statement and Prospectus. The Company consents to the use of the Prospectus (including, without limitation, any supplement thereto) included in each Registration Statement in accordance with the provisions of the Securities Act and with the securities or "Blue Sky" laws of the jurisdictions in which the Registrable Securities may be sold by the Investor, in connection with the resale of the Registrable Securities and for such period of time thereafter as such Prospectus (including, without limitation, any supplement thereto) (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is required by the Securities Act to be delivered in connection with resales of Registrable Securities.

(c) The Company shall (A) permit Legal Counsel an opportunity to review and comment upon (i) each Registration Statement at least two (2) Business Days prior to its filing with the Commission and (ii) all amendments and supplements to each Registration Statement (including, without limitation, the Prospectus contained therein) (except for Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, or Current Reports on Form 8-K, and any similar or successor reports or Prospectus Supplements the contents of which is limited to that set forth in such reports) within a reasonable number of days prior to their filing with the Commission, and (B) shall reasonably consider any comments of the Investor and Legal Counsel on any such Registration Statement or amendment or supplement thereto or to any Prospectus contained therein. The Company shall promptly furnish to Legal Counsel, without charge, (i) electronic copies of any correspondence from the Commission or the Staff to the Company or its representatives relating to each Registration Statement (which correspondence shall be redacted to exclude any material, non-public information regarding the Company or any of its Subsidiaries), (ii) after the same is prepared and filed with the Commission, one (1) electronic copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by the Investor, and all exhibits and (iii) upon the effectiveness of each Registration Statement, one (1) electronic copy of the Prospectus included in such Registration Statement and all amendments and supplements thereto; provided, however, the Company shall not be required to furnish any document (other than the Prospectus, which may be provided in .PDF format) to Legal Counsel to the extent such document is available on EDGAR.

(d) Without limiting any obligation of the Company under the Purchase Agreement, the Company shall promptly furnish to the Investor, without charge, (i) after the same is prepared and filed with the Commission, at least one (1) electronic copy of each Registration Statement and any amendment(s) and supplement(s) thereto, including, without limitation, financial statements and schedules, all documents incorporated therein by reference, if requested by the Investor, all exhibits thereto, (ii) upon the effectiveness

of each Registration Statement, one (1) electronic copy of the Prospectus included in such Registration Statement and all amendments and supplements thereto (or such other number of copies as the Investor may reasonably request from time to time) and (iii) such other documents, including, without limitation, copies of any final Prospectus and any Prospectus Supplement thereto, as the Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by the Investor; provided, however, the Company shall not be required to furnish any document (other than the Prospectus, which may be provided in .PDF format) to the Investor to the extent such document is available on EDGAR.

(e) The Company shall take such action as is reasonably necessary to (i) register and qualify, unless an exemption from registration and qualification applies, the resale by the Investor of the Registrable Securities covered by a Registration Statement under such other securities or "Blue Sky" laws of all applicable jurisdictions in the United States, (ii) prepare and file in those jurisdictions, such amendments (including, without limitation, post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be reasonably necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, the Company shall not be required in connection therewith or as a condition thereto to (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(e), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify Legal Counsel and the Investor of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "Blue Sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threatening of any proceeding for such purpose.

(f) The Company shall notify Legal Counsel and the Investor in writing of the happening of any event, as promptly as reasonably practicable after becoming aware of such event, as a result of which the Prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, non-public information regarding the Company or any of its Subsidiaries), and, subject to Section 3(p), promptly prepare a supplement or amendment to such Registration Statement and such Prospectus contained therein to correct such untrue statement or omission and deliver one (1) electronic copy of such supplement or amendment to Legal Counsel and the Investor (or such other number of copies as Legal Counsel or the Investor may reasonably request). The Company shall also promptly notify Legal Counsel and the Investor in writing (i) when a Prospectus or any Prospectus Supplement or post-effective amendment has been filed, when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to Legal Counsel and the Investor by facsimile or e-mail on the same day of such effectiveness), and when the Company receives written notice from the Commission that a Registration Statement or any post-effective amendment will be reviewed by the Commission, (ii) of any request by the Commission for amendments or supplements to a Registration Statement or related Prospectus or related information, (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate and (iv) of the receipt of any request by the Commission or any other federal or state governmental authority for any additional information relating to the Registration Statement or any amendment or supplement thereto or any related Prospectus. The Company shall respond as promptly as reasonably practicable to any comments received from the Commission with respect to a Registration Statement or any amendment thereto. Nothing in this Section 3(f) shall limit any obligation of the Company under the Purchase Agreement.

(g) The Company shall (i) use its commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement or the use of any Prospectus contained therein, or the suspension of the qualification, or the loss of an exemption from qualification, of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible time and (ii) notify Legal Counsel and the Investor of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding.

(h) The Company shall hold in confidence and not make any disclosure of information concerning the Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement or is otherwise required to be disclosed in such Registration Statement pursuant to the Securities Act, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other Transaction Document. The Company agrees that it shall, upon learning that disclosure of such information concerning the Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to the Investor and allow the Investor, at the Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(i) Without limiting any obligation of the Company under the Purchase Agreement, the Company shall use its commercially reasonable efforts either to (i) cause all of the Registrable Securities covered by each Registration Statement to be listed on the Trading Market, (ii) secure designation and quotation of all of the Registrable Securities covered by each Registration Statement on another Eligible Market, or (iii) if, despite the Company's commercially reasonable efforts to satisfy the preceding clauses (i) or (ii) the Company is unsuccessful in satisfying the preceding clauses (i) or (ii), without limiting the generality of the foregoing, to use its commercially reasonable efforts to arrange for at least two market makers to register with the Financial Industry Regulatory Authority, Inc. ("***FINRA***") as such with respect to such Registrable Securities. In addition, the Company shall reasonably cooperate with the Investor and any Broker-Dealer through which the Investor proposes to sell its Registrable Securities in effecting a filing with FINRA pursuant to FINRA Rule 5110 as requested by the Investor. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3(i).

(j) The Company shall cooperate with the Investor and, to the extent applicable, facilitate the timely preparation and delivery of Registrable Securities, as DWAC Shares, to be offered pursuant to a Registration Statement and enable such DWAC Shares to be in such denominations or amounts (as the case may be) as the Investor may reasonably request from time to time and registered in such names as the Investor may request. Investor hereby agrees that it shall cooperate with the Company, its counsel and its transfer agent in connection with any issuances of DWAC Shares, and hereby represents, warrants and covenants to the Company that it will resell such DWAC Shares only pursuant to the Registration Statement in which such DWAC Shares are included, in a manner described under the caption "Plan of Distribution" in such Registration Statement, and in a manner in compliance with all applicable U.S. federal and state securities laws, rules and regulations, including, without limitation, any applicable prospectus delivery requirements of the Securities Act. At the time such DWAC Shares are offered and sold pursuant to the Registration Statement, such DWAC Shares shall be free from all restrictive legends and may be transmitted by the Company's transfer agent to the Investor by crediting an account at DTC as directed in writing by the Investor.

(k) Upon the written request of the Investor, the Company shall as soon as reasonably practicable after receipt of notice from the Investor and subject to Section 3(p) hereof, (i) incorporate in a Prospectus Supplement or post-effective amendment such information as the Investor reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering; (ii) make all required filings of such Prospectus Supplement or post-effective amendment after being notified of the matters to be incorporated in such Prospectus Supplement or post-effective amendment; and (iii) supplement or make amendments to any Registration Statement or Prospectus contained therein if reasonably requested by the Investor.

(l) The Company shall use its commercially reasonable efforts to cause the Registrable Securities covered by a Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(m) The Company shall make generally available to its security holders (which may be satisfied by making such information available on EDGAR) as soon as practical, but not later than ninety (90) days after the close of the period covered thereby, an earnings statement (in form complying with, and in the manner provided by, the provisions of Rule 158 under the Securities Act) covering a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the applicable Effective Date of each Registration Statement.

(n) The Company shall otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Commission in connection with any registration hereunder.

(o) Within one (1) Business Day after each Registration Statement which covers Registrable Securities is declared effective by the Commission, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investor) confirmation that such Registration Statement has been declared effective by the Commission in the form reasonably satisfactory to the Investor.

(p) Notwithstanding anything to the contrary contained herein (but subject to the last sentence of this Section 3(p)), at any time after the Effective Date of a particular Registration Statement, the Company may, upon written notice to Investor, suspend Investor's use of any prospectus that is a part of any Registration Statement (in which event the Investor shall discontinue sales of the Registrable Securities pursuant to such Registration Statement contemplated by this Agreement, but shall settle any previously made sales of Registrable Securities) if the Company (x) is pursuing an acquisition, merger, tender offer, reorganization, disposition or other similar transaction and the Company determines in good faith that (A) the Company's ability to pursue or consummate such a transaction would be materially adversely affected by any required disclosure of such transaction in such Registration Statement or other registration statement or (B) such transaction renders the Company unable to comply with Commission requirements, in each case under circumstances that would make it impractical or inadvisable to cause any Registration Statement (or such filings) to be used by Investor or to promptly amend or supplement any Registration Statement contemplated by this Agreement on a post effective basis, as applicable, or (y) has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of the Company, would materially adversely affect the Company (each, a "***Suspension Event***"); *provided, however*, that in no event shall the Investor be suspended from selling Registrable Securities pursuant to any Registration Statement on more than two occasions or for a period that exceeds an aggregate of ninety (90) calendar days in any 365-day period without the Investors' written consent. Upon disclosure of such information or the termination of the condition described above, the Company shall provide prompt notice, but in any event within one (1) Business Day of such disclosure or termination, to the Investor and shall promptly terminate any suspension of sales it has put into effect and shall take such other reasonable actions to permit registered sales of Registrable Securities as contemplated in this Agreement (including as set forth in the first sentence of Section 3(f) with respect to the information giving rise thereto unless such material, non-public information is no longer applicable) (each period between the Company providing notice of a Suspension Event to the Investor pursuant to the preceding sentence and the Company providing notice under this sentence, an "***Allowable Grace Period***"). Notwithstanding anything to the contrary contained in this Section 3(p), the Company shall cause its transfer agent to deliver DWAC Shares to a transferee of the Investor in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which (i) the Company has made a sale to Investor and (ii) the Investor has entered into a contract for sale, and delivered a copy of the Prospectus included as part of the particular Registration Statement to the extent applicable, in each case prior to the Investor's receipt of the notice of a Suspension Event and for which the Investor has not yet settled.

4. Obligations of the Investor.

(a) At least five (5) Business Days prior to the first anticipated filing date of each Registration Statement (or such shorter period to which the parties agree), the Company shall notify the Investor in writing of the information that the Company requires from the Investor with respect to such Registration Statement. It shall be a condition precedent to the obligations of the Company to complete the registration pursuant to this Agreement with respect to the Registrable Securities of the Investor that the Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect and maintain the effectiveness of the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(b) The Investor, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless the Investor has notified the Company in writing of the Investor's election to exclude all of the Investor's Registrable Securities from such Registration Statement.

(c) The Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(p) or the first sentence of 3(f), the Investor shall immediately discontinue disposition of Registrable Securities pursuant to any Registration Statement(s) covering such Registrable Securities until the Investor's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 3(p) or the first sentence of Section 3(f) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary in this Section 4(c), the Company shall cause its transfer agent to deliver DWAC Shares to a transferee of the Investor in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which the Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(p) or the first sentence of Section 3(f) and for which the Investor has not yet settled.

(d) The Investor covenants and agrees that it shall comply with the prospectus delivery and other requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

5. Expenses of Registration.

All reasonable expenses of the Company, other than sales or brokerage commissions and fees and disbursements of counsel for, and other expenses of, the Investor, incurred in connection with registrations, filings or qualifications pursuant to Sections 2 and 3, including, without limitation, all registration, listing and qualifications fees, printers and accounting fees, and fees and disbursements of counsel for the Company, shall be paid by the Company.

6. Indemnification.

(a) In the event any Registrable Securities are included in any Registration Statement under this Agreement, to the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend the Investor, each of its directors, officers, stockholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) and each Person, if any, who controls the Investor within the meaning of the Securities Act or the Exchange Act and each of the directors, officers, stockholders, members, partners, employees, agents, advisors, representatives (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding the lack of such title or any other title) of such controlling Persons (each, an "***Investor Party***" and collectively, the "***Investor Parties***"), against any losses, obligations, claims, damages, liabilities, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, court costs, reasonable attorneys' fees, costs of defense and investigation), amounts paid in settlement or expenses, joint or several, (collectively, "***Claims***") reasonably incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the Commission, whether pending or threatened, whether or not an Investor Party is or may be a party thereto ("***Indemnified Damages***"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "Blue Sky" laws of any jurisdiction in which Registrable Securities are offered ("***Blue Sky Filing***"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in any Prospectus (as amended or supplemented) or in any Prospectus Supplement or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in the light of the circumstances under which the statements therein were made, not misleading (the matters in the foregoing clauses (i) and (ii) being, collectively, "***Violations***"). Subject to Section 6(e), the Company shall reimburse the Investor Parties, promptly as such expenses are incurred and are due and payable, for any legal fees or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (i) shall not apply to a Claim by an Investor Party arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Investor Party for such Investor Party expressly for use in connection with the preparation of such Registration Statement, Prospectus or Prospectus Supplement or any such amendment thereof or supplement thereto (it being hereby acknowledged and agreed that the written information set forth on Exhibit B attached hereto is the only written information furnished to the Company by or on behalf of the Investor expressly for use in any Registration Statement, Prospectus or Prospectus Supplement); (ii) shall not be available to the Investor to the extent such Claim is based on a failure of the Investor to deliver or to cause to be delivered

the Prospectus (as amended or supplemented) made available by the Company (to the extent applicable), including, without limitation, a corrected Prospectus, if such Prospectus (as amended or supplemented) or corrected Prospectus was timely made available by the Company pursuant to Section 3(d) and then only if, and to the extent that, following the receipt of the corrected Prospectus no grounds for such Claim would have existed; and (iii) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Investor Party and shall survive the transfer of any of the Registrable Securities by the Investor pursuant to Section 9.

(b) In connection with any Registration Statement in which the Investor is participating, the Investor agrees to severally and not jointly indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers who signs the Registration Statement and each Person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (each, a "***Company Party***"), against any Claim or Indemnified Damages to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or are based upon any Violation, in each case, to the extent, and only to the extent, that such Violation occurs in reliance upon and in conformity with written information relating to the Investor furnished to the Company by the Investor expressly for use in connection with such Registration Statement, the Prospectus included therein or any Prospectus Supplement thereto (it being hereby acknowledged and agreed that the written information set forth on Exhibit B attached hereto is the only written information furnished to the Company by or on behalf of the Investor expressly for use in any Registration Statement, Prospectus or Prospectus Supplement); and, subject to Section 6(e) and the below provisos in this Section 6(b), the Investor shall reimburse a Company Party any legal or other expenses reasonably incurred by such Company Party in connection with investigating or defending any such Claim; provided, however, the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Investor, which consent shall not be unreasonably withheld or delayed; and provided, further that the Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to the Investor as a result of the applicable sale of Registrable Securities pursuant to such Registration Statement, Prospectus or Prospectus Supplement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Company Party and shall survive the transfer of any of the Registrable Securities by the Investor pursuant to Section 9.

(c) Promptly after receipt by an Investor Party or Company Party (as the case may be) under this Section 6 of notice of the commencement of any action or proceeding (including, without limitation, any governmental action or proceeding) involving a Claim, such Investor Party or Company Party (as the case may be) shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Investor Party or the Company Party (as the case may be); provided, however, an Investor Party or Company Party (as the case may be) shall have the right to retain its own counsel with the fees and expenses of such counsel to be paid by the indemnifying party if: (i) the indemnifying party has agreed in writing to pay such fees and expenses; (ii) the indemnifying party shall have failed promptly to assume the defense of such Claim and to employ counsel reasonably satisfactory to such Investor Party or Company Party (as the case may be) in any such Claim; or (iii) the named parties to any such Claim (including, without limitation, any impleaded parties) include both such Investor Party or Company Party (as the case may be) and the indemnifying party, and such Investor Party or such Company Party (as the case may be) shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Investor Party or such Company Party and the indemnifying party (in which case, if such Investor Party or such Company Party (as the case may be) notifies the indemnifying party in writing that it elects to employ separate counsel at the expense of the indemnifying party, then the indemnifying party shall not have the right to assume the defense thereof on behalf of the indemnified party and such counsel shall be at the expense of the indemnifying party, provided further that in the case of clause (iii) above the indemnifying party shall not be responsible for the reasonable fees and expenses of more than one (1) separate legal counsel for all Investor Parties or Company Parties (as the case may be). The Company Party or Investor Party (as the case may be) shall reasonably cooperate with the indemnifying party in connection with any negotiation or defense of any such action or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Company Party or Investor Party (as the case may be) which relates to such action or Claim. The indemnifying party shall keep the Company Party or Investor Party (as the case may be) reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Company

Party or Investor Party (as the case may be), consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Company Party or Investor Party (as the case may be) of a release from all liability in respect to such Claim or litigation, and such settlement shall not include any admission as to fault on the part of the Company Party. For the avoidance of doubt, the immediately preceding sentence shall apply to Sections 6(a) and 6(b) hereof. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Company Party or Investor Party (as the case may be) with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Investor Party or Company Party (as the case may be) under this Section 6, except to the extent that the indemnifying party is materially and adversely prejudiced in its ability to defend such action.

(d) No Person involved in the sale of Registrable Securities who is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to indemnification from any Person involved in such sale of Registrable Securities who is not guilty of fraudulent misrepresentation.

(e) The indemnification required by this Section 6 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 Indemnified Damages are incurred; provided that any Person receiving any payment pursuant to this Section 6 shall promptly reimburse the Person making such payment for the amount of such payment to the extent a court of competent jurisdiction determines that such Person receiving such payment was not entitled to such payment.

(f) The indemnity and contribution agreements contained herein shall be in addition to (i) any cause of action or similar right of the Company Party or Investor Party against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. Contribution.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however: (i) no contribution shall be made under circumstances where the maker would not have been liable for indemnification under the fault standards set forth in Section 6 of this Agreement, (ii) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (iii) contribution by any seller of Registrable Securities shall be limited in amount to the amount of net proceeds received by such seller from the applicable sale of such Registrable Securities pursuant to such Registration Statement. Notwithstanding the provisions of this Section 7, the Investor shall not be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by the Investor from the applicable sale of the Registrable Securities subject to the Claim exceeds the amount of any damages that the Investor has otherwise been required to pay, or would otherwise be required to pay under Section 6(b), by reason of such untrue or alleged untrue statement or omission or alleged omission.

8. Reports Under the Exchange Act.

With a view to making available to the Investor the benefits of Rule 144, the Company agrees to:

(a) use its commercially reasonable efforts to make and keep public information available, as those terms are understood and defined in Rule 144;

(b) use its commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act so long as the Company remains subject to such requirements (it being understood that nothing herein shall limit any of the Company's obligations under the Purchase Agreement) and the filing of such reports and other documents is required for the applicable provisions of Rule 144;

(c) furnish to the Investor so long as the Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company, if true, that it has complied with the reporting, submission and posting requirements of Rule 144 and the Exchange Act, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company with the Commission if such reports are not publicly available via EDGAR, and (iii) such other information as may be reasonably requested to permit the Investor to sell such securities pursuant to Rule 144 without registration; and

(d) take such additional action as is reasonably requested by the Investor to enable the Investor to sell the Registrable Securities pursuant to Rule 144, including, without limitation, delivering all such legal opinions, consents, certificates, resolutions and instructions to the Company's transfer agent as may be reasonably requested from time to time by the Investor and otherwise fully cooperate with Investor and Investor's broker to effect such sale of securities pursuant to Rule 144.

9. Assignment of Registration Rights.

Neither the Company nor the Investor shall assign this Agreement or any of their respective rights or obligations hereunder; provided, however, that any transaction, whether by merger, reorganization, restructuring, consolidation, financing or otherwise, whereby the Company remains the surviving entity immediately after such transaction shall not be deemed an assignment.

10. Amendment or Waiver.

No provision of this Agreement may be amended or waived by the parties from and after the date that is one (1) Trading Day immediately preceding the date on which the Initial Registration Statement is initially filed with the Commission. Subject to the immediately preceding sentence, no provision of this Agreement may be (i) amended other than by a written instrument signed by both parties hereto or (ii) waived other than in a written instrument signed by the party against whom enforcement of such waiver is sought. Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

11. Miscellaneous.

(a) Solely for purposes of this Agreement, a Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from such record owner of such Registrable Securities.

(b) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement shall be given in accordance with Section 10.4 of the Purchase Agreement.

(c) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof. The Company and the Investor acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that either party shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement by the other party and to enforce specifically the terms and provisions hereof (without the necessity of showing economic loss and without any bond or other security being required), this being in addition to any other remedy to which either party may be entitled by law or equity.

(d) All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any law or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the federal courts sitting in The City of New York, Borough of Manhattan, for the

adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. 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 to such party at the address for such 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 manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(e) The Transaction Documents set forth the entire agreement and understanding of the parties solely with respect to the subject matter thereof and supersedes all prior and contemporaneous agreements, negotiations and understandings between the parties, both oral and written, solely with respect to such matters. There are no promises, undertakings, representations or warranties by either party relative to subject matter hereof not expressly set forth in the Transaction Documents. Notwithstanding anything in this Agreement to the contrary and without implication that the contrary would otherwise be true, nothing contained in this Agreement shall limit, modify or affect in any manner whatsoever any of the Company's obligations under the Purchase Agreement.

(f) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors. This Agreement is not for the benefit of, nor may any provision hereof be enforced by, any Person, other than the parties hereto, their respective successors and the Persons referred to in Sections 6 and 7 hereof.

(g) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof. Unless the context clearly indicates otherwise, each pronoun herein shall be deemed to include the masculine, feminine, neuter, singular and plural forms thereof. The terms "including," "includes," "include" and words of like import shall be construed broadly as if followed by the words "without limitation." The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

(h) This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided that a facsimile signature or signature delivered by e-mail in a ".pdf" format data file, including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com, www.echosign.adobe.com, etc., shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original signature.

(i) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

[S*ignature Pages Follow*]

IN WITNESS WHEREOF, Investor and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

THE COMPANY:

ZSPACE, INC.

By: _____
Name:
Title:

[*Signature Page to RRA*]

IN WITNESS WHEREOF, Investor and the Company have caused their respective signature page to this Registration Rights Agreement to be duly executed as of the date first written above.

THE INVESTOR:

[•]

[•]

By: _____
Name: [•]
Title: [•]

EXHIBIT A

SELLING SHAREHOLDER

This prospectus relates to the offer and sale by [●]'s of up to [●] of our shares of Common Stock issuable upon conversion of the Note. For additional information regarding our shares of Common Stock included in this prospectus, see the section titled "The [●]Transaction" above. We are registering our shares of Common Stock included in this prospectus pursuant to the provisions of the Registration Rights Agreement we entered into with [●], LP on [●], 2025 in order to permit the selling shareholder to offer the shares included in this prospectus for resale from time to time. Except for the transactions contemplated by the Purchase Agreement and the Registration Rights Agreement [●] has not had any material relationship with us within the past three years. As used in this prospectus, the term "selling shareholder" means [●].

The table below presents information regarding the selling shareholder and our shares of Common Stock that may be resold by the selling shareholder from time to time under this prospectus. This table is prepared based on information supplied to us by the selling shareholder, and reflects holdings as of [●], 2025. The number of shares in the column "Maximum Number of Common Stock to be Offered Pursuant to this Prospectus" represents all of our shares of Common Stock being offered for resale by the selling shareholder under this prospectus. The selling shareholder may sell some, all or none of the shares being offered for resale in this offering. We do not know how long the selling shareholder will hold the shares before selling them and, except as set forth in the section titled "Plan of

Distribution" in this prospectus, we are not aware of any existing arrangements between the selling shareholder and any other shareholder, broker, dealer, underwriter or agent relating to the sale or distribution of our shares of Common Stock being offered for resale by this prospectus.

Beneficial ownership is determined in accordance with Rule 13d-3(d) promulgated by the SEC under the Exchange Act, and includes our shares of Common stock with respect to which the selling shareholder has sole or shared voting and investment power. The percentage of our shares of Common Stock beneficially owned by the selling shareholder prior to the offering shown in the table below is based on an aggregate of [●] our shares of Common Stock outstanding on [●], 2025. The fourth column assumes the resale by the selling shareholder of all of our shares of Common Stock being offered for resale pursuant to this prospectus.

Name of Selling Shareholder	Number of Common Stock Beneficially Owned Prior to Offering		Maximum Number of Common Stock to be Offered Pursuant to this Prospectus	Number of Common Stock Beneficially Owned After Offering[3]	
	Number[1]	Percent[2]		Number	Percent
[●] [4]	[●]	[●]	[●]	0	--

(1) The selling shareholder may not convert, and we may not issue or sell any our shares of Common Stock to [●], LP, any portion of the [●] shares of Common Stock to the extent such shares, when aggregated with all other our Common Stock then beneficially owned by [●], would cause [●]'s beneficial ownership of our shares of Common Stock to exceed 4.99% (or up to 9.99% upon the selling shareholder's election) of our then outstanding shares of Common Stock (the "Beneficial Ownership Limitation"). Due to the Beneficial Ownership Limitation, notwithstanding the maximum number of shares and percentage reflected above, the selling shareholder's beneficial ownership of our shares of Common Stock at any time will not exceed 4.99% of our outstanding shares of common stock, or [●] shares based on our shares of Common Stock outstanding as of [●], plus the issuance of such [●] shares. The Beneficial Ownership Limitation may not be waived under the Note.

(2) Applicable percentage ownership is based on [●] our shares of Common Stock outstanding as of [●], 2025.

(3) Assumes the sale of all our shares of Common Stock being offered for resale pursuant to this prospectus.

(4) [●]

PLAN OF DISTRIBUTION

Our shares of Common Stock offered by this prospectus are being offered by the selling shareholder, [●]. The shares may be sold or distributed from time to time by the selling shareholder directly to one or more purchasers or through brokers, dealers, or underwriters who may act solely as agents at market prices prevailing at the time of sale, at prices related to the prevailing market prices, at negotiated prices, or at fixed prices, which may be changed. The sale of the shares of Common Stock offered by this prospectus could be effected in one or more of the following methods:

- ordinary brokers' transactions;
- transactions involving cross or block trades;
- through brokers, dealers, or underwriters who may act solely as agents;

- "at the market" into an existing market for our shares of Common Stock;
- in other ways not involving market makers or established business markets, including direct sales to purchasers or sales effected through agents;
- in privately negotiated transactions; or
- any combination of the foregoing.

In order to comply with the securities laws of certain states, if applicable, the shares may be sold only through registered or licensed brokers or dealers. In addition, in certain states, the shares may not be sold unless they have been registered or qualified for sale in the state or an exemption from the state's registration or qualification requirement is available and complied with.

[●] is an "underwriter" within the meaning of Section 2(a)(11) of the Securities Act.

[●] has informed us that it intends to use one or more registered broker-dealers to effectuate all sales, if any, of our shares of Common Stock that it has acquired and may in the future acquire from us pursuant to the Note. Such sales will be made at prices and at terms then prevailing or at prices related to the then current market price. Each such registered broker-dealer will be an underwriter within the meaning of Section 2(a)(11) of the Securities Act. [●] has informed us that each such broker-dealer will receive commissions from [●] that will not exceed customary brokerage commissions.

Brokers, dealers, underwriters or agents participating in the distribution of our shares of Common Stock offered by this prospectus may receive compensation in the form of commissions, discounts, or concessions from the purchasers, for whom the broker-dealers may act as agent, of the shares sold by the selling shareholder through this prospectus. The compensation paid to any such particular broker-dealer by any such purchasers of our shares of Common Stock sold by the selling shareholder may be less than or in excess of customary commissions. Neither we nor the selling shareholder can presently estimate the amount of compensation that any agent will receive from any purchasers of our shares of Common Stock sold by the selling shareholder.

We know of no existing arrangements between the selling shareholder or any other stockholder, broker, dealer, underwriter or agent relating to the sale or distribution of our shares of Common Stock offered by this prospectus.

We may from time to time file with the SEC one or more supplements to this prospectus or amendments to the registration statement of which this prospectus forms a part to amend, supplement or update information contained in this prospectus, including, if and when required under the Securities Act, to disclose certain information relating to a particular sale of shares offered by this prospectus by the selling shareholder, including the names of any brokers, dealers, underwriters or agents participating in the distribution of such shares by the selling shareholder, any compensation paid by the selling shareholder to any such brokers, dealers, underwriters or agents, and any other required information.

We will pay the expenses incident to the registration under the Securities Act of the offer and sale of our shares of Common Stock covered by this prospectus by the selling shareholder. We also have agreed to reimburse [●] for the fees and disbursements of its counsel, payable upon the issuance of the Note, in an amount not to exceed $[●].

We also have agreed to indemnify [●] and certain other persons against certain liabilities in connection with the offering of our shares of Common Stock offered hereby, including liabilities arising under the Securities Act or, if such indemnity is unavailable, to contribute amounts required to be paid in respect of such liabilities. [●] has agreed to indemnify us against liabilities under the Securities Act that may arise from certain written information furnished to us by [●] specifically for use in this prospectus or, if such indemnity is unavailable, to contribute amounts required to be paid in respect of such liabilities. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and controlling persons, we have been advised that in the opinion of the SEC this indemnification is against public policy as expressed in the Securities Act and is therefore, unenforceable.

[We have entered into a Private Placement Agreement ("Placement Agreement") with [●] (the "Placement Agent"), a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. ("FINRA"), pursuant to which the Placement Agent

agreed to act as the placement agent in connection with the transactions contemplated by the Purchase Agreement. Pursuant to such Placement Agreement, we have agreed to pay the Placement Agent a cash fee of $[●]. Such fee is subjected to the rules of FINRA and FINRA's determination not to raise any objection with respect to the fairness or reasonableness of the terms of compensation to be received by Pickwick. We have also agreed to provide indemnification and contribution to the Placement Agent with respect to its engagement by the Company pursuant to the Placement Agreement.]

We estimate that the total expenses for the offering will be approximately $[●].

We have advised the selling shareholder that it is required to comply with Regulation M promulgated under the Exchange Act. With certain exceptions, Regulation M precludes the selling shareholder, any affiliated purchasers, and any broker-dealer or other person who participates in the distribution from bidding for or purchasing, or attempting to induce any person to bid for or purchase any security which is the subject of the distribution until the entire distribution is complete. Regulation M also prohibits any bids or purchases made in order to stabilize the price of a security in connection with the distribution of that security. All of the foregoing may affect the marketability of the securities offered by this prospectus.

This offering will terminate on the date that all our shares of Common Stock offered by this prospectus have been sold by the selling shareholder.

Our shares of Common Stock are currently listed on Nasdaq under the symbol "ZSPC".

EXHIBIT B

[●]

Exhibit 10.3

Execution Version

VOTING AGREEMENT

THIS VOTING AGREEMENT (this "**Agreement**") is entered into as of April 11, 2025, by and among the investors listed on Schedule A hereto (each, an "**Investor**", and collectively, the "**Investors**"), zSpace, Inc., a Delaware corporation, (the "**Company**"), and the stockholders of the Company listed on Schedule B hereto (each, a "**Stockholder**", and collectively, including on behalf of affiliated entities and/or one or more funds or accounts managed by a Stockholder the "**Stockholders**"). Capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Purchase Agreement (as defined below).

BACKGROUND

A. The execution and delivery of this Agreement by the Stockholders is a material inducement to the willingness of the Investors to enter into that certain Securities Purchase Agreement, dated as of April 10, 2025 (the "**Purchase Agreement**"), by and among the Company and the Investors, pursuant to which, subject to the terms and conditions set forth in the Purchase Agreement, the Investors will purchase Securities.

B. Each Stockholder understands and acknowledges that the Company and Investors are entitled to rely on (i) the truth and accuracy of Stockholder's representations contained herein and (ii) Stockholder's performance of the obligations set forth herein.

In consideration of the promises and the covenants and agreements set forth in the Purchase Agreement and in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Shares Subject to this Agreement; Transfer Restrictions.

(a) The Stockholders each agree to hold all shares of voting capital stock of the Company registered in their respective names or beneficially owned by them and/or over which they exercise voting control as of the date of this Agreement and any other shares of voting capital stock of the Company legally or beneficially held or acquired by them after the date hereof or over which they exercise voting control (the "**Shares**") subject to, and to vote the Shares in accordance with, the provisions of this Agreement.

(b) Until the termination of this Agreement, or unless a proposed transferee agrees to be bound by the terms of this Agreement, the Stockholder covenants and agrees that the Stockholder will not directly or indirectly, (i) sell, assign, transfer (including by merger or operation of law), pledge, encumber or otherwise dispose of any of the Shares, (ii) deposit any of the Shares into a voting trust or enter into a voting agreement or arrangement with respect to the Shares or grant any proxy or power of attorney with respect thereto which is inconsistent with this Agreement or (iii) enter into any contract, option or other arrangement or undertaking with respect to the direct or indirect sale, assignment, transfer (including by merger or operation of law) or other disposition of any Shares. The Company shall not recognize the transfer of any Shares in violation of the transfer restrictions set forth in this Section 1(b).

2. Agreement to Vote Shares.

(a) In any annual, special or adjourned meeting of the stockholders of the Company, and in every written consent in lieu of any such meeting, at which the transactions contemplated by the Purchase Agreement are presented to the Company's stockholders for approval, each Stockholder agrees that it will vote, by proxy or otherwise, the Shares (i) in favor of the transactions contemplated by the Purchase Agreement and any matter that would reasonably be expected to facilitate such transactions, including, but not limited to, the approval of the issuance of more than 20% of the outstanding shares of common stock of the Company, and (ii) against approval of any proposal made in opposition to the transactions contemplated by the Purchase Agreement. The Stockholder shall retain at all times the right to vote its Shares in its sole discretion and without any other limitation on those matters other than those set forth in clauses (i) and (ii) of this Section 2(a) that are at any time or from time to time presented for consideration to the Company's stockholders generally.

(b) Notwithstanding the foregoing, nothing in this Agreement shall limit or restrict Stockholder from acting in Stockholder's capacity as a director or officer of the Company, to the extent applicable, it being understood that this Agreement shall apply to Stockholder solely in Stockholder's capacity as a stockholder of the Company.

(c) In the event that a meeting of the stockholders of the Company is held, each Stockholder shall, or shall cause the holder of record on any applicable record date to, appear at such meeting or otherwise cause such Stockholder's Shares to be counted as present thereat for purposes of establishing a quorum.

(d) Irrevocable Proxy.

(i) Each Stockholder hereby irrevocably grants to and appoints, and hereby authorizes and empowers, the Company, and any individual designated in writing by it, and each of them individually, as the Stockholder's sole and exclusive proxy and attorney-in-fact (with full power of substitution and resubstitution), for and in the Stockholder's name, place and stead, to vote and exercise all voting and related rights (to the fullest extent that the Stockholder is entitled to do so) with respect to its Shares at any meeting of the stockholders of the Company called, and in every written consent in lieu of such meeting, with respect to any of the matters specified in, and in accordance and consistent with, clauses (i) and (ii) of Section 2(a). The Stockholder may vote the Shares on all other matters not contemplated by clauses (i) and (ii) of Section 2(a).

(ii) Each Stockholder understands and acknowledges that the Investors and the Company are entering into the Purchase Agreement in reliance upon the Stockholder's execution and delivery of this Agreement. Each Stockholder hereby affirms that the irrevocable proxy set forth in this Section 2(d) constitutes an inducement for the Investors and the Company to enter into the Purchase Agreement. Except as otherwise provided for herein, the Stockholder hereby (a) affirms that the irrevocable proxy is coupled with an interest and may under no circumstances be revoked, (b) ratifies and confirms all that the proxies appointed hereunder may lawfully do or cause to be done by virtue hereof; and (c) affirms that such irrevocable proxy is executed and intended to be irrevocable in accordance with the provisions of Section 212(e) of the Delaware General Corporation Law.

(iii) Upon the execution of this Agreement by the Stockholder, the Stockholder hereby revokes any and all prior proxies or powers of attorney given by the Stockholder with respect to the Shares. The Stockholder acknowledges and agrees that no subsequent proxies with respect to such Shares shall be given, and if given, shall not be effective or ineffective *ab initio* All authority conferred herein shall be binding upon and enforceable against any successors or assigns of the Stockholder and any transferees of the Shares. Notwithstanding any other provisions of this Agreement, the irrevocable proxy granted hereunder shall automatically terminate upon the termination of this Agreement in accordance with Section 6(m).

3. Representations, Warranties and Other Covenants of Stockholder. Each Stockholder, as to itself and not with respect to any other Stockholder, hereby represents, warrants and covenants to the Company and to each Investor as follows:

(a) Stockholder is the legal or beneficial owner of, and has the power to vote that number of issued and outstanding shares of Common Stock set forth on the signature page hereto. The Shares set forth next to Stockholder's name on the signature page hereof are owned free of any encumbrance that would preclude Stockholder from exercising his, her or its voting power as provided in Section 2 or otherwise complying with the terms hereof.

(b) Stockholder has all requisite power, legal capacity and authority to enter into this Agreement. This Agreement has been duly executed and delivered by Stockholder and, assuming the due authorization, execution and delivery of this Agreement by the Company, constitutes a valid and binding obligation of Stockholder, enforceable against Stockholder in accordance with its terms, except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (b) laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(c) The execution, delivery and performance by Stockholder of this Agreement will not (i) conflict with, require a consent, waiver or approval under, or result in a breach of or default under, any of the terms of any agreement to which Stockholder is a party or by which any of such Stockholder's assets are bound or (ii) violate any order, writ, injunction, decree, judgment or any applicable

law applicable to Stockholder or any of such Stockholder's assets, except for any such conflict, violation or any failure to obtain such consent, waiver or approval that would not result in the Stockholder being able to perform its obligations under this Agreement.

(d) Stockholder agrees that Stockholder will not in Stockholder's capacity as a Stockholder of the Company bring, commence, institute, maintain, prosecute or voluntarily aid any action, claim, suit or cause of action, in law or in equity, in any court or before any governmental entity, which (i) challenges the validity of or seeks to enjoin the operation of any provision of this Agreement or (ii) alleges that the execution and delivery of this Agreement by Stockholder, or the approval of the Purchase Agreement by the Company's Board of Directors, breaches any fiduciary duty of the Board of Directors or any member thereof.

(e) Stockholder shall not, directly or indirectly, take any action that would make any representation or warranty contained herein untrue or incorrect in any material respects or in any way have the effect of restricting, limiting, interfering with, preventing or disabling Stockholder from performing his, her or its obligations in any material respects under this Agreement.

4. Confidentiality. Except as required by applicable law, each Stockholder, until such time as the transactions contemplated by the Purchase Agreement are required to be publicly disclosed by the Company as described in Section 4(i) of the Purchase Agreement, will maintain the confidentiality of any information regarding this Agreement, the Purchase Agreement and the transactions contemplated thereby. Neither each Stockholder, nor any of its respective Affiliates shall issue or cause the publication of any press release or other public announcement with respect to this Agreement, the Purchase Agreement or the transactions contemplated thereby without the prior written consent of the Company, except as may be required by law or by any listing agreement with, or the policies of, The NASDAQ Stock Market, in which circumstance such announcing party shall make all reasonable efforts to consult with the Company in advance of such publication to the extent practicable.

5. No Ownership Interest. Nothing contained in this Agreement shall be deemed to vest in the Company any direct or indirect ownership or incidence of ownership of or with respect to any Shares.

6. Miscellaneous.

(a) Notices. All notices, requests, and other communications hereunder shall be in writing and will be deemed to have been duly given and received (a) when personally delivered, (b) when sent by facsimile upon confirmation of receipt, (c) one business day after the day on which the same has been delivered prepaid to a nationally recognized courier service, or (d) five business days after the deposit in the United States mail, registered or certified, return receipt requested, postage prepaid, in each case addressed, as to the Company, to zSpace, Inc., 55 Nicholson Lane, San Jose, California 95134, Attn: [●], email: [●], with a copy to [●], [Address], Attn: [●], email: [●], and as to any Stockholder at the address and facsimile number set forth below such Stockholder's signature on the signature pages of this Agreement. Any party hereto from time to time may change its address, facsimile number, email address, or other information for the purpose of notices to that party by giving notice specifying such change to the other parties hereto. Each Stockholder and the Company may each agree in writing to accept notices and other communications to it hereunder by electronic communications pursuant to procedures reasonably approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(b) Interpretation. When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The phrases "the date of this Agreement", "the date hereof', and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date first above written. Unless the context of this Agreement otherwise requires: (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; and (iii) the terms "hereof," "herein," "hereunder" and derivative or similar words refer to this entire Agreement.

(c) Amendments; Waiver. This Agreement may be amended by the parties hereto, and the terms and conditions hereof may be waived, only by an instrument in writing signed on behalf of each of the parties hereto, or, in the case of a waiver, by an instrument signed on behalf of the party waiving compliance. The failure of either party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect of this Agreement at law or in equity, or to insist upon compliance by any other party with its obligation under this Agreement, and any custom or practice of the parties at variance with the terms of this

Agreement, shall not constitute a waiver by such party of such party's right to exercise any such or other right, power or remedy or to demand such compliance.

(d) Rules of Construction. The parties hereto hereby 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.

(e) Specific Performance; Injunctive Relief. The parties hereto agree that the Company and the Investors will be irreparably harmed and that there will be no adequate remedy at law for a violation of any of the covenants or agreements of any Stockholder set forth herein. Therefore, it is agreed that, in addition to any other remedies that may be available to the Company or the Investors upon any such violation of this Agreement, the Company and the Investors each acting alone or together shall have the right to enforce such covenants and agreements by specific performance, injunctive relief or by any other means available to the Company or the Investors at law or in equity and each Stockholder hereby waives any and all defenses which could exist in its favor in connection with such enforcement and waives any requirement for the security or posting of any bond in connection with such enforcement.

(f) Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties hereto; it being understood that all parties need not sign the same counterpart.

(g) Entire Agreement; Nonassignability; Parties in Interest Death or Incapacity. This Agreement and the documents and instruments and other agreements specifically referred to herein or delivered pursuant hereto (i) constitute an inducement and condition to the Investors entering into the Purchase Agreement, (ii) 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 (iii) are not intended to confer, and shall not be construed as conferring, upon any person other than the parties hereto any rights or remedies hereunder. Neither this Agreement nor any of the rights, interests, or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by each Stockholder without the prior written consent of the Company, and any such assignment or delegation that is not consented to shall be null and void. This Agreement, together with any rights, interests or obligations of the Company hereunder, may be assigned or delegated in whole or in part by the Company to any affiliate of the Company without the consent of or any action by Stockholder upon notice by the Company to Stockholder as herein provided. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective permitted successors and assigns. All authority conferred herein shall survive the death or incapacity of the Stockholder and in the event of Stockholder's death or incapacity, any obligation of the Stockholder hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the Stockholder.

(h) Additional Documents. Stockholder shall execute and deliver any additional documents necessary or desirable in the reasonable opinion of the Company to carry out the purpose and intent of this Agreement.

(i) 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 shall continue in full force and effect and the application of such provision to other persons or circumstances shall be interpreted so as reasonably to effect the intent of the parties hereto. The parties hereto further agree to use their commercially reasonable efforts to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that shall achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

(j) Remedies Cumulative. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party shall be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy shall not preclude the exercise of any other remedy.

(k) Governing Law; Consent to Jurisdiction. This Agreement, and the provisions, rights, obligations, and conditions set forth herein, and the legal relations between the parties hereto, including all disputes and claims, whether arising in contract, tort, or under statute, shall be governed by and construed in accordance with the laws of the State of New York without giving effect to its conflict of law provisions.

(l) Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring the expenses.

(m) Termination. This Agreement shall terminate and shall have no further force or effect from and after the earlier to occur of (i) date upon which the stockholders of the Company, in any annual, special or adjourned meeting of the stockholders of the Company, or by written consent in lieu of any such meeting, approve the transactions contemplated by the Purchase Agreement, (ii) the termination of the Purchase Agreement in accordance with its terms or an amendment to the Purchase Agreement or the transactions contemplated by the Purchase Agreement which has a material adverse effect on the Stockholder, unless the Stockholder agrees in writing that such amendment shall not cause this Agreement to terminate and (iii) December 31, 2025, unless the Stockholder agrees in writing to a further extension to this Agreement, and thereafter there shall be no liability or obligation on the part of the Stockholders, provided, that no such termination shall relieve any party from liability for any willful or intentional breach of this Agreement prior to such termination.

(n) WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[COMPANY SIGNATURE PAGE TO VOTING AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this **VOTING AGREEMENT** to be executed as of the date first written above.

COMPANY:

ZSPACE, INC.

By: _____

Name: _____

Title: _____

[INVESTOR SIGNATURE PAGE TO VOTING AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this **VOTING AGREEMENT** to be executed as of the date first written above.

[●]

[●]

By: _____

Name: [●]

Title: [●]

[STOCKHOLDER SIGNATURE PAGE TO VOTING AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this **VOTING AGREEMENT** to be executed as of the date first written above.

_____

[Name]

Shares owned beneficially or of record by the Stockholder, or over which the Stockholder exercises voting power on the date hereof:

[_____] shares of Common Stock

SCHEDULE A
INVESTORS

[●]

SCHEDULE B
STOCKHOLDERS

Name of Stockholder	**Number of Shares Beneficially Owned**
Fiza Investments Limited	1,176,470
bSpace Investments Limited	5,506,800
dSpace Investments Limited	11,580,670
TOTAL	18,263,940
PERCENTAGE OF OUTSTANDING SHARES[1]	79.9%

[1] Based on 22,849,378 shares of Common Stock outstanding as of February 28, 2025.

Exhibit 10.4

Execution Version

SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of April 11, 2025 (this "Agreement"), is among zSpace, Inc., a Delaware corporation (the "Company"), all of the domestic subsidiaries of the Company (such subsidiaries, the "Guarantors," and together with the Company, the "Debtors"), the secured parties whose names appear on the signature pages hereto (the "Secured Parties"), and [•], in its capacity as collateral agent for the Secured Parties (the "Agent").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Securities Purchase Agreement, dated as of April 10, 2025 (the "Purchase Agreement"), the Secured Parties have agreed to fund the Debtor with respect to that certain Senior Secured Convertible Notes issued by the Company to the Secured Parties (the "Notes," and together with any other securities that may be issued from time-to-time (the "Securities");

WHEREAS, pursuant to a certain Subsidiary Guarantee, dated as of the date hereof (the "Guarantee"), the Guarantors have jointly and severally agreed to guarantee and act as surety for payment of the Notes; and

WHEREAS, in order to induce the Secured Parties to extend the loans evidenced by the Notes, each Debtor has agreed to execute and deliver to the Secured Parties this Agreement and to grant the Secured Parties, pari passu with each other Secured Party and through the Agent, a security interest in certain property of such Debtor to secure the prompt payment, performance and discharge in full of all of the Company's obligations under the Notes and the Guarantors' obligations under the Guarantee.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Certain Definitions**. As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Agreement that are defined in Article 9 of the UCC (such as "account", "chattel paper", "commercial tort claim", "deposit account", "document", "equipment", "fixtures", "general intangibles", "goods", "instruments", "inventory", "investment property", "letter-of-credit rights", "proceeds" and "supporting obligations") shall have the respective meanings given such terms in Article 9 of the UCC.

(a) "Collateral" means the collateral in which the Secured Parties are granted a security interest by this Agreement and which shall include all of the assets of the Debtors, including the following personal property of the Debtors, whether presently owned or existing or hereafter acquired or coming into existence, wherever situated, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith, and all dividends, interest, cash, notes, securities, equity interest or other property at any time and from time to time acquired, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Securities (as defined below):

(i) All goods, including, without limitation, (A) all machinery, equipment, computers, motor vehicles, trucks, tanks, boats, ships, appliances, furniture, special and general tools, fixtures, test and quality control devices and other equipment of every kind and nature and wherever situated, together with all documents of title and documents representing the same, all additions and accessions thereto, replacements therefor, all parts therefor, and all substitutes for any of the foregoing and all other items used and useful in connection with any Debtor's businesses and all improvements thereto; and (B) all inventory;

(ii) All contract rights and other general intangibles, including, without limitation, all partnership interests, membership interests, stock or other securities, rights under any of the Organizational Documents (as defined below), agreements related to the Pledged Securities, licenses, distribution and other agreements, computer software (whether "off-the-shelf", licensed from any third

party or developed by any Debtor), computer software development rights, leases, franchises, customer lists, quality control procedures, grants and rights, goodwill, Intellectual Property and income tax refunds;

(iii) All accounts, together with all instruments, all documents of title representing any of the foregoing, all rights in any merchandising, goods, equipment, motor vehicles and trucks which any of the same may represent, and all right, title, security and guaranties with respect to each account, including any right of stoppage in transit;

(iv) All documents, letter-of-credit rights, instruments and chattel paper;

(v) All commercial tort claims;

(vi) All deposit accounts and all cash (whether or not deposited in such deposit accounts);

(vii) All investment property;

(viii) All supporting obligations;

(ix) All files, records, books of account, business papers, and computer programs; and

(x) the products and proceeds of all of the foregoing Collateral set forth in clauses (i)-(ix) above.

Without limiting the generality of the foregoing, the "Collateral" shall include all investment property and general intangibles respecting ownership and/or other equity interests in each Guarantor, including, without limitation, the shares of capital stock and the other equity interests listed on Schedule H hereto (as the same may be modified from time to time pursuant to the terms hereof), and any other shares of capital stock and/or other equity interests of any other direct or indirect subsidiary of any Debtor obtained in the future, and, in each case, all certificates representing such shares and/or equity interests and, in each case, all rights, options, warrants, stock, other securities and/or equity interests that may hereafter be received, receivable or distributed in respect of, or exchanged for, any of the foregoing and all rights arising under or in connection with the Pledged Securities, including, but not limited to, all dividends, interest and cash.

Notwithstanding the foregoing, nothing herein shall be deemed to constitute an assignment of any asset which, in the event of an assignment, becomes void by operation of applicable law or the assignment of which is otherwise prohibited by applicable law (in each case to the extent that such applicable law is not overridden by Sections 9-406, 9-407 and/or 9-408 of the UCC or other similar applicable law); provided, however, that, to the extent permitted by applicable law, this Agreement shall create a valid security interest in such asset and, to the extent permitted by applicable law, this Agreement shall create a valid security interest in the proceeds of such asset.

(b) "Intellectual Property" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, (ii) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof, and all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, (iii) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade dress, service marks, logos, domain names and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common law rights related thereto, (iv) all trade secrets arising under the laws of the United States, any other country or any political subdivision thereof, (v) all rights to obtain any reissues, renewals or extensions of the foregoing, (vi) all licenses for any of the foregoing, and (vii) all causes of action for infringement of the foregoing.

(c) "Majority in Interest" means, at any time of determination, the majority in interest (based on then-outstanding principal amounts of Notes at the time of such determination) of the Secured Parties.

(d) "Necessary Endorsement" means undated stock powers endorsed in blank or other proper instruments of assignment duly executed and such other instruments or documents as the Agent may reasonably request.

(e) "Obligations" means all of the liabilities and obligations (primary, secondary, direct, contingent, sole, joint or several) due or to become due, or that are now or may be hereafter contracted or acquired, or owing to, of any Debtor to the Secured Parties, including, without limitation, all obligations under this Agreement, the Securities, the other Transaction Documents (as defined in the Purchase Agreement), and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from any of the Secured Parties as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time. Without limiting the generality of the foregoing, the term "Obligations" shall include, without limitation: (i) principal of, interest, and any other amounts owed on the Notes as set forth in the Notes; (ii) any and all obligations due under the Transaction Documents (as defined in the Purchase Agreement), (iii) any and all other fees, indemnities, costs, obligations and liabilities of the Debtors from time to time under or in connection with this Agreement, the Securities, the other Transaction Documents (as defined in the Purchase Agreement) and any other instruments, agreements or other documents executed and/or delivered in connection herewith or therewith; and (iv) all amounts (including but not limited to post-petition interest) in respect of the foregoing that would be payable but for the fact that the obligations to pay such amounts are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving any Debtor.

(f) "Organizational Documents" means, with respect to any Debtor, the documents by which such Debtor was organized (such as articles of incorporation, certificate of incorporation, certificate of limited partnership or articles of organization, and including, without limitation, any certificates of designation for preferred stock or other forms of preferred equity) and which relate to the internal governance of such Debtor (such as bylaws, a partnership agreement or an operating, limited liability or members agreement).

(g) "Permitted Liens" shall have the meaning ascribed to such term in the Notes.

(h) "Pledged Interests" shall have the meaning ascribed to such term in Section 4(j).

(i) "Pledged Securities" shall have the meaning ascribed to such term in Section 4(i).

(j) "UCC" means the Uniform Commercial Code of the State of New York and any other applicable law of any state or states that has jurisdiction with respect to all, or any portion of, the Collateral or this Agreement, from time to time. It is the intent of the parties that defined terms in the UCC should be construed in their broadest sense so that the term "Collateral" will be construed in its broadest sense. Accordingly, if there are, from time to time, changes to defined terms in the UCC that broaden the definitions, they are incorporated herein and if existing definitions in the UCC are broader than the amended definitions, the existing ones shall be controlling.

2. **Grant of Security Interest in Collateral**. As an inducement for the Secured Parties to fund the Debtor and to secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, each Debtor hereby unconditionally and irrevocably pledges, grants and hypothecates to the Secured Parties a perfected, first priority security interest in and to, a lien upon and a right of set-off against all of their respective right, title and interest of whatsoever kind and nature in and to, the Collateral (a "Security Interest" and, collectively, the "Security Interests").

3. **Delivery of Certain Collateral**. Contemporaneously or prior to the execution of this Agreement, each Debtor shall deliver or cause to be delivered to the Agent (a) any and all certificates and other instruments representing or evidencing the Pledged Securities, and (b) any and all certificates and other instruments or documents representing any of the other Collateral, in each case, together with

all Necessary Endorsements. The Debtors are, contemporaneously with the execution hereof, delivering to Agent, or have previously delivered to the Agent, a true and correct copy of each Organizational Document governing any of the Pledged Securities.

4. **Representations, Warranties, Covenants and Agreements of the Debtors**. Except as set forth under the corresponding Section of the disclosure schedules delivered to the Secured Parties concurrently herewith (the "Disclosure Schedules"), which Disclosure Schedules shall be deemed a part hereof, each Debtor represents and warrants to, and covenants and agrees with, the Secured Parties as follows:

(a) Each Debtor has the requisite corporate, partnership, limited liability company or other power and authority to enter into this Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by each Debtor of this Agreement and the filings contemplated therein have been duly authorized by all necessary action on the part of such Debtor and no further action is required by such Debtor. This Agreement has been duly executed by each Debtor. This Agreement constitutes the legal, valid and binding obligation of each Debtor, enforceable against such Debtor in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to or affecting the rights and remedies of creditors and by general principles of equity.

(b) The Debtors have no place of business or offices where their respective books of account and records are kept (other than temporarily at the offices of its attorneys or accountants) or places where Collateral is stored or located, except as set forth on Schedule A attached hereto. Except as specifically set forth on Schedule A, the Debtor is the record owner of the real property where such Collateral is located, and there exist no mortgages or other liens on any such real property except for Permitted Liens as set forth on Schedule A. Except as disclosed on Schedule A, none of such Collateral is in the possession of any consignee, bailee, warehouseman, agent or processor.

(c) Except for Permitted Liens and as set forth on Schedule B attached hereto, the Debtors are the sole owner of the Collateral (except for non-exclusive licenses granted by any Debtor in the ordinary course of business), free and clear of any liens, security interests, encumbrances, rights or claims, and are fully authorized to grant the Security Interests. Except as set forth on Schedule C attached hereto, there is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that will be filed in favor of the Secured Parties pursuant to this Agreement) covering or affecting any of the Collateral. Except as set forth on Schedule C attached hereto and except pursuant to this Agreement, as long as this Agreement shall be in effect, the Debtors shall not execute and shall not knowingly permit to be on file in any such office or agency any other financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Parties pursuant to the terms of this Agreement).

(d) No written claim has been received that any Collateral or any Debtor's use of any Collateral violates the rights of any third party. There has been no adverse decision to any Debtor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to any Debtor's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of any Debtor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) Each Debtor shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and its Collateral at the locations set forth on Schedule A attached hereto and may not relocate such books of account and records or tangible Collateral unless it delivers to the Secured Parties at least thirty (30) days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements under the UCC and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interests to create in favor of the Secured Parties a valid, perfected and continuing perfected first priority lien in the Collateral.

(f) This Agreement creates in favor of the Secured Parties a valid first priority security interest in the Collateral, subject only to Permitted Liens, securing the payment and performance of the Obligations. Upon making the filings described in the immediately following paragraph, all security interests created hereunder in any Collateral which may be perfected by filing Uniform Commercial Code financing statements shall have been duly perfected. Except for (i) the filing of the Uniform Commercial Code financing statements referred to in the immediately following paragraph, (ii) the recordation of the Intellectual Property Security Agreement (as defined in Section 4(p) hereof) with respect to copyrights and copyright applications in the United States Copyright Office referred to in paragraph (mm), (iii) the recordation of the Intellectual Property Security Agreement (as defined in Section 4(p) hereof) with respect to patents and

trademarks of each Debtor in the United States Patent and Trademark Office referred to in paragraph (oo), (iv) the execution and delivery of deposit account control agreements satisfying the requirements of Section 9-104(a)(2) of the UCC with respect to each deposit account of the Debtors, (v) if there is any investment property or deposit account included as Collateral that can be perfected by "control" through an account control agreement, the execution and delivery of securities account control agreements satisfying the requirements of 9-106 of the UCC with respect to each such investment property of each Debtor, and (vi) the delivery of the certificates and other instruments provided in Section 3, Section 4(aa) and Section 4(cc), no action is necessary to create, perfect or protect the Security Interests created hereunder. Without limiting the generality of the foregoing, except for the foregoing, no consent of any third parties and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for (x) the execution, delivery and performance of this Agreement, (y) the creation or perfection of the Security Interests created hereunder in the Collateral or (z) the enforcement of the rights of the Agent and the Secured Parties hereunder.

(g) Each Debtor hereby authorizes the Agent to file one or more financing statements under the UCC, with respect to the Security Interests, with the proper filing and recording agencies in any jurisdiction deemed proper by it.

(h) The execution, delivery and performance of this Agreement by the Debtors does not (i) violate any of the provisions of any Organizational Documents of any Debtor or any judgment, decree, order or award of any court, governmental body or arbitrator or any applicable law, rule or regulation applicable to any Debtor or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, 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 any Debtor's debt or otherwise) or other understanding to which any Debtor is a party or by which any property or asset of the Debtor is bound or affected. If any, all required consents (including, without limitation, from stockholders or creditors of any Debtor) necessary for any Debtor to enter into and perform its obligations hereunder have been obtained.

(i) The capital stock and other equity interests listed on Schedule H hereto (the "Pledged Securities") represent all capital stock and other equity interests owned, directly or indirectly, by the Company. All of the Pledged Securities are validly issued, fully paid and nonassessable, and the Company is the legal and beneficial owner of the Pledged Securities, free and clear of any lien, security interest or other encumbrance except for the Security Interests created by this Agreement and other Permitted Liens.

(j) The ownership and other equity interests in partnerships and limited liability companies (if any) included in the Collateral (the "Pledged Interests") by their express terms do not provide that they are securities governed by Article 8 of the UCC and are not held in a securities account or by any financial intermediary.

(k) Except for Permitted Liens, each Debtor shall at all times maintain the liens and Security Interests provided for hereunder as valid and perfected, first priority liens and security interests in the Collateral in favor of the Secured Parties until this Agreement and the Security Interest hereunder shall be terminated pursuant to Section 14 hereof. Each Debtor hereby agrees to defend the same against the claims of any and all persons and entities. Each Debtor shall safeguard and protect all Collateral for the account of the Secured Parties. At the request of the Agent, each Debtor will sign and deliver to the Agent at any time or from time to time one or more financing statements pursuant to the UCC in form reasonably satisfactory to the Agent and will pay the cost of filing the same in all public offices wherever filing is, or is deemed by the Agent to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, each Debtor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interests hereunder, and each Debtor shall obtain and furnish to the Agent from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interests hereunder.

(l) No Debtor will transfer, pledge, hypothecate, encumber, license, sell or otherwise dispose of any of the Collateral (except for non-exclusive licenses granted by a Debtor in its ordinary course of business, sales of inventory by a Debtor in its ordinary course of business and the replacement of worn-out or obsolete equipment by a Debtor in its ordinary course of business) without the prior written consent of the Agent.

(m) Each Debtor shall keep and preserve its equipment, inventory and other tangible Collateral in good condition, repair and order and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(n) Each Debtor shall maintain with financially sound and reputable insurers, insurance with respect to the Collateral, including Collateral hereafter acquired, against loss or damage of the kinds and in the amounts customarily insured against by entities of established reputation having similar properties similarly situated and in such amounts as are customarily carried under similar circumstances by other such entities and otherwise as is prudent for entities engaged in similar businesses but in any event sufficient to cover the full replacement cost thereof. Each Debtor shall cause each insurance policy issued in connection herewith to provide, and the insurer issuing such policy to certify to the Agent, that (a) the Agent will be named as lender-loss-payee and additional insured under each such insurance policy; (b) if such insurance be proposed to be cancelled or materially changed for any reason whatsoever, such insurer will promptly notify the Agent and such cancellation or change shall not be effective as to the Agent for at least thirty (30) days after receipt by the Agent of such notice, unless the effect of such change is to extend or increase coverage under the policy; and (c) the Agent will have the right (but no obligation) at its election to remedy any default in the payment of premiums within thirty (30) days of notice from the insurer of such default. If no Event of Default (as defined in the Note) exists and if the proceeds arising out of any claim or series of related claims do not exceed $100,000, loss payments in each instance will be applied by the Debtor to the repair and/or replacement of property with respect to which the loss was incurred to the extent reasonably feasible, and any loss payments or the balance thereof remaining, to the extent not so applied, shall be payable to the Debtor; provided, however, that payments received by any Debtor after an Event of Default (as defined in the Note) or an Event of Default occurs and is continuing or in excess of $100,000 for any occurrence or series of related occurrences, upon approval by the Agent, which approval shall not be unreasonably withheld, delayed, denied or conditioned, loss payments in each instance will be applied by the Debtor to the repair and/or replacement of property with respect to which the loss was incurred to the extent reasonably feasible, and any loss payments or the balance thereof remaining, to the extent not so applied, shall be paid to the Agent and, if received by such Debtor, shall be held in trust for the Agent and immediately paid over to the Agent unless otherwise directed in writing by the Agent. Copies of such policies or the related certificates, in each case, naming the Agent as lender-loss-payee and additional insured shall be delivered to the Agent at least annually and at the time any new policy of insurance is issued.

(o) Each Debtor shall, within ten (10) days of obtaining knowledge thereof, advise the Secured Parties, in sufficient detail, of any material adverse change in the Collateral, and of the occurrence of any event that would have a material adverse effect on the value of the Collateral or on the Secured Parties' Security Interest therein.

(p) Each Debtor shall promptly execute and deliver to the Agent such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Agent may from time to time request and may in its sole discretion deem necessary to perfect, protect or enforce the Secured Parties' security interest in the Collateral, including, without limitation, if applicable, the execution and delivery of a separate security agreement with respect to each Debtor's Intellectual Property ("Intellectual Property Security Agreement") in which the Secured Parties have been granted a security interest hereunder, substantially in a form reasonably acceptable to the Agent, which Intellectual Property Security Agreement, other than as stated therein, shall be subject to all of the terms and conditions hereof.

(q) Upon reasonable prior notice (so long as no Event of Default (as defined in the Note) or a breach under any of the Transaction Documents (as defined in the Purchase Agreement) has occurred or continuing, which in either such event, no prior notice is required), each Debtor shall permit the Agent and its representatives and agents to inspect the Collateral during normal business hours and to make copies of records pertaining to the Collateral as may be reasonably requested by the Agent from time to time.

(r) Each Debtor shall take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(s) Each Debtor shall promptly notify the Secured Parties in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by such Debtor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Parties hereunder.

(t) All information heretofore, herein or hereafter supplied to the Secured Parties by or on behalf of each Debtor with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

(u) Each Debtor shall at all times preserve and keep in full force and effect their respective valid existence and good standing and any rights and franchises material to its business.

(v) No Debtor will change its name, type of organization, jurisdiction of organization, organizational identification number (if it has one), legal or corporate structure, or identity, or add any new fictitious name unless it provides at least thirty (30) days' prior written notice to the Secured Parties of such change and, at the time of such written notification, such Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(w) Except in the ordinary course of business, no Debtor may consign any of its inventory or sell any of its inventory on bill-and-hold, sale-or-return, sale-on-approval, or other conditional terms of sale without the consent of the Agent, which shall not be unreasonably withheld, delayed, denied, or conditioned.

(x) No Debtor may relocate its chief executive office to a new location without providing thirty (30) days' prior written notification thereof to the Secured Parties and so long as, at the time of such written notification, such Debtor provides any financing statements or fixture filings necessary to perfect and continue the perfection of the Security Interests granted and evidenced by this Agreement.

(y) Each Debtor was organized and remains organized solely under the laws of the state of Delaware.

(z) (i) The actual name of each Debtor is the name set forth in Schedule D attached hereto; (ii) no Debtor has trade names except as set forth on Schedule E attached hereto; (iii) no Debtor has used any name other than that stated in the preamble hereto or as set forth on Schedule E for the preceding five (5) years; and (iv) no entity has merged into any Debtor or been acquired by any Debtor within the past five years except as set forth on Schedule E.

(aa) At any time and from time to time that any Collateral consists of instruments, certificated securities or other items that require or permit possession by the Secured Parties to perfect the Security Interest created hereby, each Debtor shall deliver such Collateral to the Secured Parties.

(bb) Each Debtor, in its capacity as issuer, hereby agrees to comply with any and all orders and instructions of the Agent regarding the Pledged Interests consistent with the terms of this Agreement without the further consent of any Debtor as contemplated by Section 8-106 (or any successor section) of the UCC. Further, each Debtor agrees that it shall not enter into a similar agreement (or one that would confer "control" within the meaning of Article 8 of the UCC) with any other person or entity.

(cc) Each Debtor shall cause all tangible chattel paper constituting Collateral to be delivered to the Agent, or, if such delivery is not possible, then to cause such tangible chattel paper to contain a legend noting that it is subject to the Security Interest created by this Agreement. To the extent that any Collateral consists of electronic chattel paper, each Debtor shall cause the underlying chattel paper to be "marked" within the meaning of Section 9-105 of the UCC (or successor Section thereto).

(dd) If there is any investment property or deposit account included as Collateral that can be perfected by "control" through an account control agreement, the applicable Debtor shall cause such an account control agreement, in form and substance in each case satisfactory to the Agent, to be entered into and delivered to the Agent.

(ee) To the extent that any Collateral consists of letter-of-credit rights, the applicable Debtor shall cause the issuer of each underlying letter of credit to consent to an assignment of the proceeds thereof to the Agent.

(ff) To the extent that any Collateral is in the possession of any third party, the applicable Debtor shall join with the Agent in notifying such third party of the Secured Parties' Security Interest in such Collateral and shall use its best efforts to obtain an acknowledgement and agreement from such third party with respect to the Collateral, in form and substance reasonably satisfactory to the Agent.

(gg) If any Debtor shall at any time hold or acquire a commercial tort claim, such Debtor shall promptly notify the Secured Parties in a writing signed by such Debtor of the particulars thereof and grant to the Secured Parties in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Parties.

(hh) Each Debtor shall immediately provide written notice to the Secured Parties of any and all accounts that are equal to or in excess of $1 million and which arise out of contracts with any governmental authority and, to the extent necessary to perfect or continue the perfected status of the Security Interests in such accounts and proceeds thereof, shall execute and deliver to the Agent an assignment of claims for such accounts and cooperate with the Agent in taking any other steps required, in its judgment, under the Federal Assignment of Claims Act or any similar federal, state or local statute or rule to perfect or continue the perfected status of the Security Interests in such accounts and proceeds thereof.

(ii) Intentionally Deleted.

(jj) Each Debtor shall vote the Pledged Securities to comply with the covenants and agreements set forth herein and in the Transaction Documents (as defined in the Purchase Agreement).

(kk) Each Debtor shall register the pledge of the applicable Pledged Securities on the books of such Debtor. Each Debtor shall notify each issuer of Pledged Securities to register the pledge of the applicable Pledged Securities in the name of the Secured Parties on the books of such issuer. Further, except with respect to certificated securities delivered to the Agent, the applicable Debtor shall deliver to the Agent an acknowledgement of pledge (which, where appropriate, shall comply with the requirements of the relevant UCC with respect to perfection by registration) signed by the issuer of the applicable Pledged Securities, which acknowledgement shall confirm that: (a) it has registered the pledge on its books and records; and (b) at any time directed by the Agent during the continuation of an Event of Default, such issuer will transfer the record ownership of such Pledged Securities into the name of any designee of the Agent, will take such steps as may be necessary to effect the transfer, and will comply with all other instructions of the Agent regarding such Pledged Securities without the further consent of the applicable Debtor.

(ll) In the event that, upon an occurrence of an Event of Default, the Secured Parties shall sell all or any of the Pledged Securities to another party or parties (herein called the "Transferee") or shall purchase or retain all or any of the Pledged Securities, each Debtor shall, to the extent applicable: (i) deliver to the Agent or the Transferee, as the case may be, the articles of incorporation, bylaws, minute books, stock certificate books, corporate seals, deeds, leases, indentures, agreements, evidences of indebtedness, books of account, financial records and all other Organizational Documents and records of such Debtor and their direct and indirect subsidiaries (but not including any items subject to the attorney-client privilege related to this Agreement or any of the transactions hereunder); (ii) use its best efforts to obtain resignations of the persons then serving as officers and directors of such Debtor and their direct and indirect subsidiaries, if so requested; and (iii) use its best efforts to obtain any approvals that are required by any governmental or regulatory body in order to permit the sale of the Pledged Securities to the Transferee or the purchase or retention of the Pledged Securities by the Agent and allow the Transferee or the Agent to continue the business of such Debtor and their direct and indirect subsidiaries.

(mm) Without limiting the generality of the other obligations of the Debtors hereunder, each Debtor shall promptly (i) cause to be registered at the United States Copyright Office all of its material copyrights, (ii) cause the Security Interest contemplated hereby with respect to all Intellectual Property registered at the United States Copyright Office or United States Patent and Trademark Office to be duly recorded at the applicable office, and (iii) give the Agent notice whenever it acquires (whether absolutely or by license) or creates any additional material Intellectual Property.

(nn) Each Debtor will from time to time, at the expense of such Debtor, promptly execute and deliver all such further instruments and documents, and take all such further action as may be necessary or desirable, or as the Agent may reasonably request, in order to perfect and protect any Security Interest granted or purported to be granted hereby or to enable the Agent to exercise and enforce their rights and remedies hereunder and with respect to any Collateral or to otherwise carry out the purposes of this Agreement.

(oo) Schedule F attached hereto lists all of the patents, patent applications, trademarks, trademark applications, registered copyrights, and domain names owned by any of the Debtors as of the date hereof. Schedule F lists all material licenses in favor of any Debtor for the use of any patents, trademarks, copyrights and domain names as of the date hereof. All material patents and trademarks of the Debtors have been duly recorded at the United States Patent and Trademark Office and all material copyrights of the Debtors have been duly recorded at the United States Copyright Office.

(pp) Except as set forth on Schedule G attached hereto, none of the account debtors or other persons or entities obligated on any of the Collateral is a governmental authority covered by the Federal Assignment of Claims Act or any similar federal, state or local statute or rule in respect of such Collateral.

(qq) Until the Obligations shall have been paid and performed in full, the Company covenants that it shall promptly direct any direct or indirect subsidiary of the Company formed or acquired after the date hereof to enter into the Guarantee in favor of the Secured Parties.

5. **Effect of Pledge on Certain Rights**. If any of the Collateral subject to this Agreement consists of nonvoting equity or ownership interests (regardless of class, designation, preference or rights) that may be converted into voting equity or ownership interests upon the occurrence of certain events (including, without limitation, upon the transfer of all or any of the other stock or assets of the issuer), it is agreed by each Debtor that the pledge of such equity or ownership interests pursuant to this Agreement or the enforcement of any of the Secured Parties' rights hereunder shall not be deemed to be the type of event which would trigger such conversion rights notwithstanding any provisions in the Organizational Documents or agreements to which any Debtor is subject or to which any Debtor is party.

6. **Defaults**. The following events shall be "Events of Default":

(a) The occurrence of an Event of Default (as defined in the Note);

(b) The occurrence of an event of default or material breach under any Transaction Documents (as defined in the Purchase Agreement);

(c) Any representation or warranty of any Debtor in this Agreement shall prove to have been incorrect in any material respect when made;

(d) The failure by any Debtor to observe or perform any of its obligations hereunder for five (5) days after delivery to such Debtor of notice of such failure by or on behalf of a Secured Party unless such default is capable of cure but cannot be cured within such time frame and such Debtor is using commercially reasonable best efforts to cure same in a timely fashion; or

(e) If any provision of this Agreement shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by any Debtor, or a proceeding shall be commenced by any Debtor, or by any governmental authority having jurisdiction over any Debtor, seeking to establish the invalidity or unenforceability thereof, or any Debtor shall deny that such Debtor has any liability or obligation purported to be created under this Agreement.

7. **Duty to Hold in Trust**.

(a) Upon the occurrence of any Event of Default and at any time thereafter, the Debtor shall, upon receipt of any revenue, income, dividend, interest or other sums subject to the Security Interests, whether payable pursuant to the Transaction Documents (as defined in the Purchase Agreement) or otherwise, or of any check, draft, note, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Parties and shall forthwith endorse and transfer any such sums

or instruments, or both, to the Secured Parties, pro-rata in proportion to their respective then-currently issued and outstanding Principal Amount (as defined in the Note) for application to the satisfaction of the Obligations.

(b) If the Debtor shall become entitled to receive or shall receive any securities or other property (including, without limitation, shares of Pledged Securities or instruments representing Pledged Securities acquired after the date hereof, or any options, warrants, rights or other similar property or certificates representing a dividend, or any distribution in connection with any recapitalization, reclassification or increase or reduction of capital, or issued in connection with any reorganization of the Debtor or any of its direct or indirect subsidiaries) in respect of the Pledged Securities (whether as an addition to, in substitution of, or in exchange for, such Pledged Securities or otherwise), the Debtor agrees to (i) accept the same as the agent of the Secured Parties; (ii) hold the same in trust on behalf of and for the benefit of the Secured Parties; and (iii) to deliver any and all certificates or instruments evidencing the same to the Secured Parties on or before the close of business on the fifth (5^{th}) business day following the receipt thereof by the Debtor, in the exact form received together with the Necessary Endorsements, to be held by the Agent subject to the terms of this Agreement as Collateral.

8. **Rights and Remedies Upon Default**.

(a) Upon the occurrence of any Event of Default and at any time thereafter, the Secured Parties, acting through the Agent, shall have the right to exercise all of the remedies conferred hereunder and under the Transaction Documents (as defined in the Purchase Agreement), and the Secured Parties shall have all the rights and remedies of a secured party under the UCC. Without limitation, upon the occurrence of any Event of Default and at any time thereafter, the Secured Parties, acting through the Agent, shall have the following rights and powers:

(i) The Agent shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and each Debtor shall assemble the Collateral and make it available to the Agent at places which the Agent shall reasonably select, whether at such Debtor's premises or elsewhere, and make available to the Agent, without rent, all of such Debtor's respective premises and facilities for the purpose of the Agent taking possession of, removing or putting the Collateral in saleable or disposable form.

(ii) Upon notice to the Debtor by the Agent, all rights of each Debtor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise and all rights of each Debtor to receive the dividends and interest which it would otherwise be authorized to receive and retain, shall cease. Upon such notice, the Agent shall have the right to receive any interest, cash dividends or other payments on the Collateral and, at the option of the Agent, to exercise in its discretion all voting rights pertaining thereto. Without limiting the generality of the foregoing, the Agent shall have the right (but not the obligation) to exercise all rights with respect to the Collateral as it were the sole and absolute owner thereof, including, without limitation, to vote and/or to exchange, at its sole discretion, any or all of the Collateral in connection with a merger, reorganization, consolidation, recapitalization or other readjustment concerning or involving the Collateral or any Debtor or any of its direct or indirect subsidiaries.

(iii) The Agent shall have the right to operate the business of the Debtor using the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Agent may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Debtor or right of redemption of a Debtor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, the Agent may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of any Debtor, which are hereby waived and released.

(iv) The Agent shall have the right (but not the obligation) to notify any account debtors and any obligors under instruments or accounts to make payments directly to the Agent and to enforce the Debtors' rights against such account debtors and obligors.

(v) The Agent may (but are not obligated to) direct any financial intermediary or any other person or entity holding any investment property to transfer the same to the Agent or its designees.

(vi) The Agent may (but is not obligated to) transfer any or all Intellectual Property registered in the name of the Debtor at the United States Patent and Trademark Office and/or Copyright Office into the name of the Agent or any designee or any purchaser of any Collateral.

(b) The Agent shall comply with any applicable law in connection with a disposition of Collateral and such compliance will not be considered adversely to affect the commercial reasonableness of any sale of the Collateral. The Agent may sell the Collateral without giving any warranties and may specifically disclaim such warranties. If the Agent sells any of the Collateral on credit, the Debtors will only be credited with payments actually made by the purchaser. In addition, each Debtors waives (except as shall be required by applicable statute and cannot be waived) any and all rights that it may have to a judicial hearing in advance of the enforcement of the Agent's rights and remedies hereunder, including, without limitation, its right following an Event of Default to take immediate possession of the Collateral and to exercise its rights and remedies with respect thereto.

(c) For the purpose of enabling the Agent to further exercise rights and remedies under this Section 8 or elsewhere provided by agreement or applicable law, each Debtor hereby grants to the Agent an irrevocable, nonexclusive license (exercisable without payment of royalty or other compensation to such Debtor) to use, license or sublicense following an Event of Default, any Intellectual Property now owned or hereafter acquired by such Debtor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof.

9. **Applications of Proceeds**. The proceeds of any such sale, lease or other disposition of the Collateral hereunder or from payments made on account of any insurance policy insuring any portion of the Collateral shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by the Agent in enforcing the rights of the Secured Parties hereunder and in connection with collecting, storing and disposing of the Collateral, and then to satisfaction of the Obligations pro rata among the Secured Parties (based on then issued and outstanding Securities at the time of any such determination), and to the payment of any other amounts required by applicable law, after which the Secured Parties shall pay to the applicable Debtor any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Parties are legally entitled, the Debtors will be liable for the deficiency, together with interest thereon, at the rate of 12.5% per annum or the lesser amount permitted by applicable law (the "Default Rate"), and the reasonable fees of any attorneys employed by the Secured Parties to collect such deficiency. To the extent permitted by applicable law, each Debtor waives all claims, damages and demands against the Secured Parties arising out of the repossession, removal, retention or sale of the Collateral, unless due solely to the gross negligence or willful misconduct of the Secured Parties as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction.

10. **Securities Law Provision**. Each Debtor recognizes that the Agent may be limited in its ability to effect a sale to the public of all or part of the Pledged Securities by reason of certain prohibitions in the Securities Act of 1933, as amended, or other federal or state securities laws (collectively, the "Securities Laws"), and may be compelled to resort to one or more sales to a restricted group of purchasers who may be required to agree to acquire the Pledged Securities for their own account, for investment and not with a view to the distribution or resale thereof. Each Debtor agrees that sales so made may be at prices and on terms less favorable than if the Pledged Securities were sold to the public, and that the Agent has no obligation to delay the sale of any Pledged Securities for the period of time necessary to register the Pledged Securities for sale to the public under the Securities Laws. Each Debtor shall cooperate with the Agent in its attempt to satisfy any requirements under the Securities Laws (including, without limitation, registration thereunder if requested by the Agent) applicable to the sale of the Pledged Securities by the Agent.

11. **Costs and Expenses**. Each Debtor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements pursuant to the UCC, continuation statements, partial releases and/or termination statements related thereto, or any expenses of any searches reasonably required by the Agent. The Debtors shall also pay all other claims and charges which in the reasonable opinion of the Agent is reasonably likely to

prejudice, imperil or otherwise affect the Collateral or the Security Interests therein. The Debtors will also, upon demand, pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent may incur in connection with the creation, perfection, protection, satisfaction, foreclosure, collection or enforcement of the Security Interest and the preparation, administration, continuance, amendment or enforcement of this Agreement and pay to the Agent the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Agent may incur in connection with (i) the enforcement of this Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Parties under the Transaction Documents (as defined in the Purchase Agreement). Until so paid, any fees payable hereunder shall be added to the amounts owed under the Transaction Documents (as defined in the Purchase Agreement) and shall bear interest at the Default Rate.

12. **Responsibility for Collateral**. The Debtors assume all liabilities and responsibility in connection with all Collateral, and the Obligations shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason. Without limiting the generality of the foregoing and except as required by applicable law, (a) neither the Agent nor any Secured Party (i) has any duty (either before or after an Event of Default) to collect any amounts in respect of the Collateral or to preserve any rights relating to the Collateral, or (ii) has any obligation to clean-up or otherwise prepare the Collateral for sale, and (b) each Debtor shall remain obligated and liable under each contract or agreement included in the Collateral to be observed or performed by such Debtor thereunder. Neither the Agent nor any Secured Party shall have any obligation or liability under any such contract or agreement by reason of or arising out of this Agreement or the receipt by the Agent or any Secured Party of any payment relating to any of the Collateral, nor shall the Agent or any Secured Party be obligated in any manner to perform any of the obligations of any Debtor under or pursuant to any such contract or agreement, to make inquiry as to the nature or sufficiency of any payment received by the Agent or any Secured Party in respect of the Collateral or as to the sufficiency of any performance by any party under any such contract or agreement, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to the Agent or any Secured Party or to which the Agent or any Secured Party may be entitled at any time or times.

13. **Security Interests Absolute**. All rights of the Secured Parties and all obligations of the Debtors hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Agreement, the Securities, the Transaction Documents (as defined in the Purchase Agreement), or any agreement entered into in connection with the foregoing, or any portion hereof or thereof, against the Debtor; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Transaction Documents (as defined in the Purchase Agreement) or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guarantee, or any other security, for all or any of the Obligations; (d) any action by the Secured Parties to obtain, adjust, settle and cancel in their sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to a Debtor, or a discharge of all or any part of the Security Interests granted hereby. Until the Obligations shall have been paid and performed in full, the rights of the Secured Parties shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations. Each Debtor expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Parties hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Parties, then, in any such event, each Debtor's obligations hereunder shall survive cancellation of this Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. Each Debtor waives all right to require the Secured Parties to proceed against any other person or entity or to apply any Collateral which the Secured Parties may hold at any time, or to marshal assets, or to pursue any other remedy. Each Debtor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

14. **Term of Agreement**. This Agreement shall terminate on the date on which all payments under the Securities and the Transaction Documents (as defined in the Purchase Agreement) (have been indefeasibly paid in full and all other Obligations have been paid or discharged; provided, however, that all indemnities of the Debtor contained in this Agreement shall survive and remain operative and in full force and effect regardless of the termination of this Agreement.

15. **Power of Attorney; Further Assurances**.

(a) Each Debtor authorizes the Agent, and does hereby make, constitute and appoint the Agent and its officers, agents, successors or assigns with full power of substitution, as such Debtor's true and lawful attorney-in-fact, with power, in the name of the Agent or such Debtor, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any note, checks, drafts, money orders or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Agent; (ii) to sign and endorse any financing statement pursuant to the UCC or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; (v) to transfer any Intellectual Property or provide licenses respecting any Intellectual Property; and (vi) generally, at the option of the Agent, and at the expense of the Debtors, at any time, or from time to time, to execute and deliver any and all documents and instruments and to do all acts and things which the Agent deems necessary to protect, preserve and realize upon the Collateral and the Security Interests granted therein in order to effect the intent of this Agreement and the Transaction Documents (as defined in the Purchase Agreement) all as fully and effectually as the Debtors might or could do; and each Debtor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding. The designation set forth herein shall be deemed to amend and supersede any inconsistent provision in the Organizational Documents or other documents or agreements to which any Debtor is subject or to which any Debtor is a party. Without limiting the generality of the foregoing, after the occurrence and during the continuance of an Event of Default, each Secured Party is specifically authorized to execute and file any applications for or instruments of transfer and assignment of any patents, trademarks, copyrights or other Intellectual Property with the United States Patent and Trademark Office and the United States Copyright Office.

(b) On a continuing basis, each Debtor will make, execute, acknowledge, deliver, file and record, as the case may be, with the proper filing and recording agencies in any jurisdiction, including, without limitation, the jurisdictions indicated on Schedule C attached hereto, all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by the Agent, to perfect the Security Interests granted hereunder and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to the Agent the grant or perfection of a perfected security interest in all the Collateral under the UCC.

(c) Each Debtor hereby irrevocably appoints the Agent as such Debtor's attorney-in-fact, with full authority in the place and instead of such Debtor and in the name of such Debtor, from time to time in the Agent's discretion, to take any action and to execute any instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of such Debtor where permitted by law, which financing statements may (but need not) describe the Collateral as "all assets" or "all personal property" or words of like import, and ratifies all such actions taken by the Agent. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Agreement and thereafter as long as any of the Obligations shall be outstanding.

16. **Notices**. All notices, requests, demands and other communications hereunder shall be subject to the notice provision of the Purchase Agreement.

17. **Other Security**. To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Agent shall have the right, in its sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Parties' rights and remedies hereunder.

18. **Appointment of Agent**. The Secured Parties hereby appoint the Agent to act as their agent for purposes of exercising any and all rights and remedies of the Secured Parties hereunder. The Agent, by its signature below, accepts such appointment. Such

appointment shall continue until revoked in writing by a Majority in Interest, at which time a Majority in Interest shall appoint a new collateral agent, provided that the Agent may not be removed as collateral agent unless the Agent shall then hold less than $250,000 in principal amount of Notes; provided, further, that such removal may occur only if each of the other Secured Parties shall then hold not less than an aggregate of $500,000 in principal amount of Notes. The Agent shall have the rights, responsibilities and immunities set forth in Annex A hereto.

19. **Agreement to Subordinate Collateral**. In the event that the Company obtains financing after the date hereof in the form of line of credit in a maximum amount not exceeding $5,000,000 (the "Line of Credit"), the Secured Parties will, at the request of the lender of the Line of Credit (the "LC Lender") and at the closing of the Line of Credit, subordinate their Security Interests to the security interests of the LC Lender in the Collateral. In further confirmation of such subordination, the Secured Parties will, promptly upon the request of the LC Lender, execute, acknowledge and deliver to the LC Lender such instruments as the LC Lender reasonably requires.

20. **Miscellaneous**.

(a) No course of dealing between the Debtors and the Secured Parties, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Parties, any right, power or privilege hereunder or under the Transaction Documents (as defined in the Purchase Agreement) shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Parties with respect to the Collateral, whether established hereby, the Securities or the Transaction Documents (as defined in the Purchase Agreement) or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Agreement, together with the exhibits and schedules hereto, contains the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into this Agreement and the exhibits and schedules hereto. 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 Debtors, the Agent and the Secured Parties holding a Majority in Interest or more of the Principal Amount, as defined in the Notes, then issued and outstanding, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought provided, however, that no such waiver, modification, supplement or amendment, as applied to any provision of this Agreement, shall, without the written consent of that particular Secured Party disproportionally and adversely affect any rights under this Agreement of such Secured Party.

(d) 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.

(e) 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.

(f) This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Debtors may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Secured Party (other than by merger). Any Secured Party may assign any or all of its rights under this Agreement to any Person (as defined in the Purchase Agreement) to whom such Secured Party assigns or transfers any Obligations, provided such transferee agrees in writing to be bound, with respect to the transferred Obligations, by the provisions of this Agreement that apply to the Secured Parties.

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Agreement.

(h) Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, all questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, each Debtor agrees that all proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and the Transaction Documents (as defined in the Purchase Agreement) (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 the City of New York, New York. Except to the extent mandatorily governed by the jurisdiction or situs where the Collateral is located, each Debtor hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such proceeding is improper. 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 Agreement or the transactions contemplated hereby.

(i) This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) [Intentionally Deleted].

(k) Each Debtor shall indemnify, reimburse and hold harmless the Secured Parties and their respective partners, members, shareholders, officers, directors, employees and agents (and any other persons with other titles that have similar functions) (collectively, "Indemnitees") from and against any and all losses, claims, liabilities, damages, penalties, suits, costs and expenses, of any kind or nature, (including fees relating to the cost of investigating and defending any of the foregoing) imposed on, incurred by or asserted against such Indemnitee in any way related to or arising from or alleged to arise from this Agreement or the Collateral, except any such losses, claims, liabilities, damages, penalties, suits, costs and expenses which result from the gross negligence or willful misconduct of the Indemnitee as determined by a final, nonappealable decision of a court of competent jurisdiction. This indemnification provision is in addition to, and not in limitation of, any other indemnification provision in the Purchase Agreement, the Transaction Documents (as defined in the Purchase Agreement), or any other agreement, instrument or other document executed or delivered in connection herewith or therewith.

(l) Nothing in this Agreement shall be construed to subject the Agent or any Secured Party to liability as a partner in any Debtor or any if its direct or indirect subsidiaries that is a partnership or as a member in any Debtor or any of its direct or indirect subsidiaries that is a limited liability company, nor shall the Agent or any Secured Party be deemed to have assumed any obligations under any partnership agreement or limited liability company agreement, as applicable, of any Debtor or any of its direct or indirect subsidiaries or otherwise, unless and until any such Secured Party exercises its right to be substituted for such Debtor as a partner or member, as applicable, pursuant hereto.

(m) To the extent that the grant of the Security Interest in the Collateral and the enforcement of the terms hereof require the consent, approval or action of any partner or member, as applicable, of any Debtor or any direct or indirect subsidiary of any Debtor or compliance with any provisions of any of the Organizational Documents, such Debtor hereby represents that all such consents and approvals have been obtained.

[SIGNATURE PAGE OF THE DEBTOR FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the day and year first above written.

ZSPACE, INC.

By: _____
Name:
Title:

[SIGNATURE PAGE OF SECURED PARTY FOLLOWS]

[SIGNATURE PAGE OF SECURED PARTY TO SECURITY AGREEMENT]

Name of Secured Party: [●]

Signature of Authorized Signatory of Secured Party: _____

Name of Authorized Signatory: [●]

Title of Authorized Signatory: [●]

ANNEX A
to
SECURITY
AGREEMENT
THE AGENT

1. **Appointment**. The Secured Parties (all capitalized terms used herein and not otherwise defined shall have the respective meanings provided in the Security Agreement to which this Annex A is attached (the "Agreement")), by their acceptance of the benefits of the Agreement, hereby designate [●] ("Agent") as the Agent to act as specified herein and in the Agreement. Each Secured Party shall be deemed irrevocably to authorize the Agent to take such action on its behalf under the provisions of the Agreement and any other Transaction Document (as such term is defined in the Purchase Agreement) and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Agent may perform any of its duties hereunder by or through its agents or employees.

2. **Nature of Duties**. The Agent shall have no duties or responsibilities except those expressly set forth in the Agreement. Neither the Agent nor any of its partners, members, managers, shareholders, officers, directors, employees or agents shall be liable for any action taken or omitted by it as such under the Agreement or hereunder or in connection herewith or therewith, be responsible for the consequence of any oversight or error of judgment or answerable for any loss, unless caused solely by its or their gross negligence or willful misconduct as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction. The duties of the Agent shall be mechanical and administrative in nature; the Agent shall not have by reason of the Agreement or any other Transaction Document a fiduciary relationship in respect of any Debtor or any Secured Party; and nothing in the Agreement or any other Transaction Document, expressed or implied, is intended to or shall be so construed as to impose upon the Agent any obligations in respect of the Agreement or any other Transaction Document except as expressly set forth herein and therein.

3. **Lack of Reliance on the Agent**. Independently and without reliance upon the Agent, each Secured Party, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Company and its subsidiaries in connection with such Secured Party's investment in the Debtors, the creation and continuance of the

Obligations, the transactions contemplated by the Transaction Documents, and the taking or not taking of any action in connection therewith, and (ii) its own appraisal of the creditworthiness of the Company and its subsidiaries, and of the value of the Collateral from time to time, and the Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Secured Party with any credit, market or other information with respect thereto, whether coming into its possession before any Obligations are incurred or at any time or times thereafter. The Agent shall not be responsible to the Debtors or any Secured Party for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith, or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectibility, priority or sufficiency of the Agreement or any other Transaction Document, or for the financial condition of the Debtors or the value of any of the Collateral, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of the Agreement or any other Transaction Document, or the financial condition of the Debtors, or the value of any of the Collateral, or the existence or possible existence of any default or Event of Default under the Agreement, the Notes or any of the other Transaction Documents.

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4. **Certain Rights of the Agent**. The Agent shall have the right to take any action with respect to the Collateral, on behalf of all of the Secured Parties. To the extent practical, the Agent shall request instructions from the Secured Parties with respect to any material act or action (including failure to act) in connection with the Agreement or any other Transaction Document, and shall be entitled to act or refrain from acting in accordance with the instructions of a Majority in Interest; if such instructions are not provided despite the Agent's request therefor, the Agent shall be entitled to refrain from such act or taking such action, and if such action is taken, shall be entitled to appropriate indemnification from the Secured Parties in respect of actions to be taken by the Agent; and the Agent shall not incur liability to any person or entity by reason of so refraining. Without limiting the foregoing, (a) no Secured Party shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting hereunder in accordance with the terms of the Agreement or any other Transaction Document, and the Debtors shall have no right to question or challenge the authority of, or the instructions given to, the Agent pursuant to the foregoing and (b) the Agent shall not be required to take any action which the Agent believes (i) could reasonably be expected to expose it to personal liability or (ii) is contrary to this Agreement, the Transaction Documents or applicable law.

5. **Reliance**. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to the Agreement and the other Transaction Documents and its duties thereunder, upon advice of counsel selected by it and upon all other matters pertaining to this Agreement and the other Transaction Documents and its duties thereunder, upon advice of other experts selected by it. Anything to the contrary notwithstanding, the Agent shall have no obligation whatsoever to any Secured Party to assure that the Collateral exists or is owned by the Debtors or is cared for, protected or insured or that the liens granted pursuant to the Agreement have been properly or sufficiently or lawfully created, perfected, or enforced or are entitled to any particular priority.

6. **Indemnification**. To the extent that the Agent is not reimbursed and indemnified by the Debtors, the Secured Parties will jointly and severally reimburse and indemnify the Agent, in proportion to their initially purchased respective principal amounts of Notes, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Agent in performing its duties hereunder or under the Agreement or any other Transaction Document, or in any way relating to or arising out of the Agreement or any other Transaction Document except for those determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction to have resulted solely from the Agent's own gross negligence or willful misconduct. Prior to taking any action hereunder as Agent, the Agent may require each Secured Party to deposit with it sufficient sums as it determines in good faith is necessary to protect the Agent for costs and expenses associated with taking such action.

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7. **Resignation by the Agent**.

The Agent may resign from the performance of all its functions and duties under the Agreement and the other Transaction Documents at any time by giving thirty (30) days' prior written notice (as provided in the Agreement) to the Debtors

and the Secured Parties. Such resignation shall take effect upon the appointment of a successor Agent pursuant to clauses (b) and (c) below.

Upon any such notice of resignation, the Secured Parties, acting by a Majority in Interest, shall appoint a successor Agent hereunder.

If a successor Agent shall not have been so appointed within said 30-day period, the Agent shall then appoint a successor Agent who shall serve as Agent until such time, if any, as the Secured Parties appoint a successor Agent as provided above. If a successor Agent has not been appointed within such 30-day period, the Agent may petition any court of competent jurisdiction or may interplead the Debtors and the Secured Parties in a proceeding for the appointment of a successor Agent, and all fees, including, but not limited to, extraordinary fees associated with the filing of interpleader and expenses associated therewith, shall be payable by the Debtors on demand.

8. **Rights with respect to Collateral**. Each Secured Party agrees with all other Secured Parties and the Agent (i) that it shall not, and shall not attempt to, exercise any rights with respect to its security interest in the Collateral, whether pursuant to any other agreement or otherwise (other than pursuant to this Agreement), or take or institute any action against the Agent or any of the other Secured Parties in respect of the Collateral or its rights hereunder (other than any such action arising from the breach of this Agreement) and (ii) that such Secured Party has no other rights with respect to the Collateral other than as set forth in this Agreement and the other Transaction Documents. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent and the retiring Agent shall be discharged from its duties and obligations under the Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of the Agreement including this Annex A shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent.

DISCLOSURE SCHEDULES

(Security Agreement)

The following are the Disclosure Schedules (the "Disclosure Schedules") referred to in that certain Security Agreement, dated as of April 11, 2025 (the "Agreement"), by and between zSpace, Inc., a Delaware corporation (the "Company" or the "Debtor"), [●], as a secured party, and the other secured parties signatory hereto their endorsees, transferees and assigns (collectively, the "Secured Parties"), and [●], as collateral agent.

SCHEDULE A

Principal Place of Business of Debtor:
Locations Where Collateral is Located or Stored

Principal Place of Business:

[●]

Locations with Collateral:

[●]

SCHEDULE B

Liens on Assets

[●]

SCHEDULE C

Governmental or regulatory filing evidencing liens on collateral

See Schedule B, the information on Schedule B is incorporated into this Schedule C

SCHEDULE D

Organizational Information

[●]

SCHEDULE E

Information on Tradenames and Mergers

See Schedule F, the information on Schedule F is incorporated into this Schedule E

SCHEDULE F

Patents & trademarks listing

[●]

SCHEDULE G

Account debtors' governmental authority

[●]

SCHEDULE H

Pledged ownership & equity interests in partnerships and LLC's

[●]

Exhibit 10.5

Execution Version

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT, as it may be amended, restated, supplemented or otherwise modified from time to time (this "Agreement"), is executed as of April 11, 2025, by and between zSpace, Inc., a Delaware corporation (the "Grantor"), in favor of the signatories to the Security Agreement (as defined below) as secured parties (the "Secured Parties") and [•], a Delaware limited partnership in its capacity as collateral agent for the Secured Parties ("Agent").

RECITALS

WHEREAS, pursuant to that certain Securities Purchase Agreement, dated as of the date hereof (the "Purchase Agreement"), the Secured Parties have agreed to fund the Grantor with respect to that certain Senior Secured Convertible Notes issued by the Grantor to the Secured Parties (the "Notes");

WHEREAS, in order to induce the Secured Parties to extend the loans evidenced by the Notes, the Grantor is executing and delivering to the Secured Parties a security agreement (the "Security Agreement"), which, among others, grants the Secured Parties, pari passu with each other Secured Party and through the Agent, a security interest in certain property of the Grantor to secure the prompt payment, performance and discharge in full of all of the Grantor's obligations under the Notes;

WHEREAS, all capitalized terms used herein and not otherwise defined shall have the respective meanings provided in the Security Agreement; and

WHEREAS, pursuant to the Security Agreement, the Grantor is required to execute and deliver this Agreement with respect to the Grantor's Intellectual Property.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of the Obligations (as defined in the Security Agreement), Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

1. Grant of Security Interest. To secure the Obligations, Grantor grants and pledges to the Agent a first priority security interest in all of Grantor's right, title and interest in, to and under its United States intellectual property (all of which shall collectively be called the "Intellectual Property Collateral"), including, without limitation, the following:

(a) All United States registered copyrights, copyright applications and copyright registrations, including but not limited to Grantor's United States registered copyrights and copyright registrations and United States applications for copyright registrations listed in Exhibit A attached hereto and all of Grantor's copyrights that are not registered in the United States Copyright Office, including derivative works, all license agreements with respect to the Copyrights and any and all royalties, payments and other amounts payable to Grantor in connection with the Copyrights, together with all renewals and extensions of the Copyrights, all rights to sue for past, present or future infringement of the Copyrights, and all manuscripts, documents, writings, tapes, disks, storage media, computer programs, computer databases, computer flow diagrams, source codes, object codes and all tangible property embodying or incorporating the Copyrights, and all other rights of every kind whatsoever accruing thereunder or pertaining thereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights that may be available to the Grantor now or hereafter existing, created, acquired or held;

(d) All patent and patent application, including, without limitation, the inventions and improvements described and claimed therein, if any, and those patents listed on Exhibit B attached hereto, and (a) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; and (d) all rights corresponding thereto throughout the world (collectively, the "Patents");

(e) Any registered trademark, trademark registration, trade name and trademark application (other than any "intent to use" trademark applications for which a statement of use has not been filed (but only until such statement is filed)), registered service mark, service mark registration, service name and service mark application, if any, including, without limitation, the trademarks, trademark registrations, trade names and trademark applications, service marks, service mark registrations, service names and service mark applications listed on Exhibit C attached hereto, and (a) renewals thereof; (b) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payment for past or future infringements thereof; (c) the right to sue for past, present and future infringements thereof; and (d) all rights corresponding thereto throughout the world (collectively, the "Trademarks");

(f) All mask works or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired, including, without limitation those set forth on Exhibit D attached hereto (collectively, the "Mask Works");

(g) Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(h) All licenses or other rights to use any of the Copyrights, Patents, Trademarks, or Mask Works and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(i) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, Patents, or Mask Works; and

(j) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

Notwithstanding anything to the contrary herein, the Intellectual Property Collateral shall not include any United States intent-to-use trademark or service mark applications filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. § 1051, at all times prior to the filing of a "Statement of Use" pursuant to Section 1(d) of the Lanham Act or an "Amendment to Allege Use" pursuant to Section 1(c) of the Lanham Act with respect thereto with the United States Patent and Trademark Office or otherwise.

2. Recordation. The Grantor authorizes the Commissioner for Patents, the Commissioner for Trademarks and the Register of Copyrights and any other government officials to record and register this Agreement upon request by the Agent. The Grantor hereby authorizes the Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Intellectual Property Collateral without the signature of the Grantor where permitted by law.

3. Authorization. The Grantor hereby authorizes the Agent to (a) modify this Agreement unilaterally by amending the exhibits to this Agreement to include any Intellectual Property Collateral that Grantor obtains subsequent to the date of this Agreement, and (b) file a duplicate original of this Agreement containing amended exhibits reflecting such new Intellectual Property Collateral.

4. Loan Documents. This Agreement has been entered into pursuant to and in conjunction with the Security Agreement, which is hereby incorporated by reference. The provisions of the Security Agreement shall supersede and control over any conflicting or inconsistent provision herein. The rights and remedies of the Agent with respect to the Intellectual Property Collateral are as provided by the Security Agreement and related documents, and nothing in this Agreement shall be deemed to limit such rights and remedies.

5. Execution in Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or in electronic (i.e., "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart of this Agreement. Each party hereto may execute this Agreement by electronic means and recognizes and accepts the use of electronic signatures and records by any other party in connection with the execution and storage hereof.

6. Successors and Assigns. This Agreement will be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns.

7. Governing Law. This Agreement and any claim, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the laws of the United States and the State of New York, without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction, but with reference to Sections 5-1401 and 5-1402 of the New York General Obligations Law, which by its terms applies to this Agreement).

IN WITNESS WHEREOF, the parties have caused this Intellectual Property Security Agreement to be executed as a sealed instrument as of the date first written above.

GRANTOR:

ZSPACE INC.

By: _____
Name:
Title:

AGENT:

[•]

[•]

By: _____
Name: [•]
Title: [•]

EXHIBIT A

Copyrights

EXHIBIT B

Patents

#	CASE NUMBER	COMMENTS	APPLICATION TITLE	PATENT ISSUE DATE	PATENT NUMBER	BRIEF DESCRIPTION OF THE APPLICATION OR PATENT
1	6430-00100		Three Dimensional Horizontal Perspective Work Station	03/15/11	7907167	Multiple screen implementation with image re-rendering based on head position and movement.
2	6430-00102	Continuation	Modifying Perspective of Stereoscopic Images Based on Changes in Viewpoint	05/06/14	8717423	Broad claims allowed regarding the basis of zSpace virtual reality through image rendering and projections based on user head position and interaction. Includes a stylus.
3	6430-00103	Continuation	Modifying Perspectives of a 3D Scene Based on Changes in User to Display	03/22/16	9292962	Application was for even broader claims. Removed the need even for stylus input. Allowed claims did not achieve this goal. Rather included the use of a hand gesture input.
4	6430-00104	Continuation		06/20/17	9684994	
5	6430-00501		Presenting a View Within a Three Dimensional Scene	05/06/14	8717360	Camera on the end of the projection of the stylus. Image can be seen on an auxiliary or PIP screen. Can be 2D or 3D.
6	6430-00502	Continuation	Capturing Views within a Three Dimensional Scene	12/01/15	9202306	Purpose of the patent is to extend the claims of 8717360.
7	6430-00503	Continuation	Presenting a View Within a Three Dimensional Scene	11/21/17	9824485	Purpose of the patent is to extend the claims of 9202360.
8	6430-00602		Detection of Partially Obscured Objects in Three Dimensional Stereoscopic Scenes	03/29/16	9299183	Means of identifying and using the stylus to interact with partically obscured objects in 3D space.
9	6430-00603	Continuation	Detection of Partially Obscured Objects in Three Dimensional Stereoscopic Scenes	07/11/17	9704285	Means of identifying and using the stylus to interact with partically obscured objects in 3D space.

10	6430-00701		Tools for use within a Three Dimensional Scene	02/04/14	8643569	Means of identifying and using the stylus to interact with partically obscured objects in 3D space.

11	6430-01401		Three-Dimensional Tracking of a User Control Device in a Volume	03/03/15	8970625	Means of identifying and using the stylus to interact with partically obscured objects in 3D space.
12	6430-01403	Chinese	Three-Dimensional Tracking of a User Control Device in a Volume	04/19/17	CN103443746B	Means of identifying and using the stylus to interact with partically obscured objects in 3D space.
13	6430-01408	Chinese divisional	Three-Dimensional Tracking of a User Control Device in a Volume	02/21/20	CN106774880B	Means of identifying and using the stylus to interact with partically obscured objects in 3D space.
14	6430-01404	EPO	Three-Dimensional Tracking of a User Control Device in a Volume	09/30/19	2656181	European application corresponding to 8970625.
15	6430-01409	EPO divisional	Three-Dimensional Tracking of a User Control Device in a Volume	06/30/21	3584682	European application corresponding to 8970625.
16	6430-01405	U.S. divisional	Three-Dimensional Tracking of a User Control Device in a Volume	12/01/15	9201568	Pur[pose of the patent is to extend the claims of 8970625.
17	6430-01502	Continuation	Three Dimensional Collaboration	03/14/17	9595127	Extends the claims of 13/333,339 (1501 since abandoned).
18	6430-01600	Bounce suppression	Liquid Crystal Variable Drive Voltage	07/22/14	8786529	Means to suppress optical bounce by the adjustment of the driving waveform. Applied to the polarization rotator.
19	6430-01601	Continuation #1	Liquid Crystal Variable Drive Voltage	09/15/15	9134556	Purpose of the patent is to extend the claims of 8786529.
20	6430-01602	Continuation #2	Liquid Crystal Variable Drive Voltage	05/01/18	9958712	Application attempts to further extend the claims of 9134556.
21	6430-01701	Compensating waveplate in lens	Optimizing Stereo Video Display	08/15/17	9736466	Designing the overdrive table based on left and right perspective.
22	6430-01801		Extended Overdrive Tables and Use	10/13/15	9161025	Head position and temperature based over drive tables.

23	6430-01900		Tightly Coupled Interactive Stereo Display	05/31/16	9354718	Invention combines the tracking system and tracking processing system in one box - thus reduces the calibration needed and improves processing. Contributes to the real-virtual model.
24	6430-02001	Design patent	Stylus with Three Distinct Button Configurations	12/09/14	D719162	Design patent for the industrial design of the stylus. Particular point of interest is the inclusion of 3 buttons (a feature that could not be found elsewhere in the literature).
25	6430-02101	Head tracking based on eyewear	Head Tracking Eyewear System	08/11/15	9106903	Five tracking points on eye ware. Nose + two sides. The marker pattern design has a significant impact on user comfort.
26	6430-02102		Head Tracking Eyewear System	10/18/16	9473763	Invention combines the tracking system and tracking processing system in one box - thus reduces the calibration needed and improves processing. Contributes to the real-virtual model.
27	6430-02103	Continuation	Head Tracking Eyewear System	07/11/17	9706191	Invention combines the tracking system and tracking processing system in one box - thus reduces the calibration needed and improves processing. Contributes to the real-virtual model.
28	6430-02303		Indirect 3D Scene Positioning Control	03/22/16	9292184	Interacting with a virtual scene at a perspective which is independent from the perspective of the user. Other perspective can be defined by a stylus.
29	6430-02304	Continuation	Indirect 3D Scene Positioning Control	01/09/18	9864495	Interacting with a virtual scene at a perspective which is independent from the perspective of the user. Other perspective can be defined by a stylus.
30	6430-02801		Operations in Three Dimensional Display System	11/28/17	9829996	Within the volume in which the stylus is effective, lets part of the volume be 3D and lets part be 2D. As the stylus moves from one to the other its' functionality changes from 3D to 2D.
31	6430-02802	Continuation	Three Dimensional Display System and Use	02/06/18	9886102	Application attempts to obtain additional claim coverage for application issued patent 9829996.
32	6430-03000		Multi-Plane Horizontal Perspective Display	09/14/10	7796134	zSpace in multiple display configurations. Central and horizontal perspectives.
33	6430-03100		Brain Balancing by Binural Beat	08/03/10	7769439	In the area of biofeedback.

34	6430-03400	Handedness	Methods for Automatically Assessing User Handedness in Computer Systems and the Utilization of Such Information	12/12/17	9841821	Automatic and non-automatic means to assess user handedness in the hardware of current and future zSpace systems. Includes the uses of such information.
35	6430-03600	Humming	The Use of Modified Driving Waveform to Eliminate the Acoustic Noise During Driving of a Liquid Crystal Polarization Rotator	05/01/18	9958695	Likely to be of increased importance as the driving voltage increases in next generation polarization rotators.
36	6430-03700	Cloud	The Use of the Cloud in 3D-Based Design and Collaboration	12/02/14	8903958	A system relating to cloud based collaboration. More particularly, to systems and methods for accessing three-dimensional imaging software on a remote server.
37	6430-03701	Continuation #1	Systems and Methods for Cloud Based 3D Design and Collaboration	10/06/15	9153069	Extends the claims of 8903958.
38	6430-03702	Continuation #2a	Systems and Methods for Cloud Based 3D Design and Collaboration	05/17/16	9342917	Continuations that narrow the claims of 9153069. The applications were filed inexpensively and seems likely to issue with a terminal disclaimer.
39	6430-03703	Continuation #2b	Systems and Methods for Cloud Based 3D Design and Collaboration	03/15/16	9286713	Continuations that narrow the claims of 9153069. The applications were filed inexpensively and seems likely to issue with a terminal disclaimer.
40	6430-04001	Move to plane of display	Zero Parallax Drawing within a Three Dimensional Display	07/10/18	10019130	Move the object that is manipulated into the zero parallax plane of the screen. Reduces eye fatigue.
41	6430-04002	Continuation	Zero Parallax Drawing within a Three Dimensional Display	08/11/20	10739936	Move the object that is manipulated into the zero parallax plane of the screen. Reduces eye fatigue.
42	6430-04101		Non-Linear Navigation of a Three Dimensional Stereoscopic Display	06/28/16	9380295	A virtual object moves in/out faster when the head/stylus moves in/out. That is, the relation is not 1:1 but “nonlinear.”
43	6430-04102	Continuation	Non-Linear Navigation of a Three Dimensional Stereoscopic Display	01/24/17	9554126	A virtual object moves in/out faster when the head/stylus moves in/out. That is, the relation is not 1:1 but “nonlinear.”

44	6430-04300	Stereocomfort	Enhancing the Coupled Zone of a Stereoscopic Display	06/13/17	9681122	Means of enhancing stereo comfort.
45	6430-04400	Stereocomfort calibration 1:1	Enhancing the Coupled Zone of a Stereoscopic Display	09/01/15	9123171	1:1 real to virtual object calibration using a wireframe.
46	6430-04401	Stereocomfort calibration 1:1	Enhancing the Coupled Zone of a Stereoscopic Display	10/11/16	9467685	Extends the claims of 9123171.

47	6430-04501	Stylus Cam	User Input Device Camera	06/11/19	10321126	Configurations and uses of a virtual video camera associated with the stylus.
48	6430-04502	Continuation	User Input Device Camera	03/22/22	11284061	Configurations and uses of a virtual video camera associated with the stylus.
49	6430-04900	Lightfield	A Head Tracked Stereoscopic Display System that Utilizes Light Field Type Data	01/17/17	9549174	The use of light field type data in a head tracked stereoscopic display system. Includes means of image capture, data compression and display.
50	6430-04901	Continuation	Continuation. Stereoscopic Display System that Utilizes Light Field Type Data	12/19/17	9848184	The use of light field type data in a head tracked stereoscopic display system. Includes means of image capture, data compression and display.
51	6430-05000	Interrogation plane and laser beam	The Configurations and Applications of a Virtual Interrogation Plane Graphical Surface when used in Association with a Stylus-based Stereoscopic Display System	07/11/17	9703400	An alternative to the stylus laser beam. The configuration and uses of an interrogation plane.
52	6430-05100	3D interface demonstrated at CES - Part #1	3D User Interface	05/11/21	11003305	The presentation in stereoscopic 3D of imagery deriving from various types of content resident on the Internet. Includes stereo pairs, videos, animated GIFs and the like. Allows the user to use the stylus to "pull" an object out of the plane of the web page and into 3D space.
53	6430-05800	3D interface demonstrated at CES - Part #2	3D User Interface - 360-degree Visualization of 2D Webpage Content	04/23/19	10271043	The presentation in stereoscopic 3D of imagery deriving from various types of content resident on the Internet. Includes stereo pairs, videos, animated GIFs and the like. Allows the user to use the stylus to "pull" an object out of the plane of the web page and into 3D space.

54	6430-05801	Continuation	3D User Interface - 360-degree Visualization of 2D Webpage Content	03/10/20	10587871	The presentation in stereoscopic 3D of imagery deriving from various types of content resident on the Internet. Includes stereo pairs, videos, animated GIFs and the like. Allows the user to use the stylus to "pull" an object out of the plane of the web page and into 3D space.
55	6430-05802	Continuation	3D User Interface - 360-degree Visualization of 2D Webpage Content	12/8/20	10863168	The presentation in stereoscopic 3D of imagery deriving from various types of content resident on the Internet. Includes stereo pairs, videos, animated GIFs and the like. Allows the user to use the stylus to "pull" an object out of the plane of the web page and into 3D space.

56	6430-05900	3D interface demonstrated at CES - Part #3	3D User Interface - Non-native Stereoscopic Image Conversion	11/13/18	10127715	The presentation in stereoscopic 3D of imagery deriving from various types of content resident on the Internet. Includes stereo pairs, videos, animated GIFs and the like. Allows the user to use the stylus to "pull" an object out of the plane of the web page and into 3D space.
57	6430-05901	Continuation	3D User Interface - Non-native Stereoscopic Image Conversion	04/14/20	10623713	Extends the claims of issued patent 10127715.
58	6430-05200	Smartphone	Personal Electronic Device with a Display System	07/10/18	10019849	Use of a user owned smartphone (or tablet, smartwatch or laptop) as a means of input, output or control of the zSpace system.
59	6430-05300	Probalistic Input + Intelligent Stylus Beam	Intelligent Stylus Beam and Probabilistic Input to 2D and 3D Mapping of Graphical User Interfaces	03/09/21	10943388	Means to enhance speed by which the user can use the stylus to designate an object in a 3D image. Means the enhance the likelihood that the user will designate the proper object. Means utilize the direction of stylus movement, typical combinations of actions in a given application and enhancement of likely target objects. The operation of an Intellegent Stylus Beam.
60	6430-05302	Continuation in the U.S.	Intelligent Stylus Beam and Probabilistic Input to 2D and 3D Mapping of Graphical User Interfaces	05/09/23	11645809	Means to enhance speed by which the user can use the stylus to designate an object in a 3D image. Means the enhance the likelihood that the user will designate the proper object. Means utilize the direction of stylus movement,

						typical combinations of actions in a given application and enhancement of likely target objects. The operation of an Intellegent Stylus Beam.
61	6430-05303	PCT national filing in China	Intelligent Stylus Beam and Probabilistic Input to 2D and 3D Mapping of Graphical User Interfaces	07/11/23	ZL202080062082.6	Means to enhance speed by which the user can use the stylus to designate an object in a 3D image. Means the enhance the likelihood that the user will designate the proper object. Means utilize the direction of stylus movement, typical combinations of actions in a given application and enhancement of likely target objects. The operation of an Intellegent Stylus Beam.
62	6430-05304	PCT national filing in the EPO	Intelligent Stylus Beam and Probabilistic Input to 2D and 3D Mapping of Graphical User Interfaces			Means to enhance speed by which the user can use the stylus to designate an object in a 3D image. Means the enhance the likelihood that the user will designate the proper object. Means utilize the direction of stylus movement, typical combinations of actions in a given application and enhancement of likely target objects. The operation of an Intellegent Stylus Beam.

63	6430-05600	Integrating real world conditions	Integration of Selected Real World Conditions into the Imagery Presented by a 3D Display System	07/10/18	10019831	Means to enhance the sense of realism and the extent of user immersion in a zSpace session. Includes integration of real world lighting into the virtual world along with reflections of real world objects from virtual objects.
64	6430-05701	Pi cell rotator - compensation	Pi-cell Polarization Switch for a Three Dimensional Display System	01/15/19	10180614	Means to increase the contrast ratio of a Pi-cell based polarization rotator/circularly polarized glasses. Means used utilizes waveplates.
65	6430-05702	Continuation	Pi-cell Polarization Switch for a Three Dimensional Display System	04/07/20	10613405	Extends the claims of issued patent 10180614.
66	6430-06000	3D Web Overlay Part #1	Stereoscopic 3D Webpage Overlay	04/09/19	10257500	The software approach for implementing the presentation of 3D content on a web page.
67	6430-06100	3D Web Overlay Part #2	Transitioning Between 2D and Stereoscopic 3D Webpage Presentation	06/18/19	10324736	The software approach for implementing the presentation of 3D content on a web page.

68	6430-06101	Continuation		12/15/20	10866820	The software approach for implementing the presentation of 3D content on a web page.
69	6430-06201	Segmented backlight for laptop	Segmented Backlight for Dynamic Contrast	12/04/18	10146004	An improvement to the light guide in the backlight assembly of the liquid crystal display. Serves to increase the isolation between the segments and, by doing so, prevent llight leakage from one segment into the next and, thus suppressing ghosting.
70	6430-06202	Continuation	Segmented Backlight for Dynamic Contrast	07/02/19	10338303	Extends the claims of issued patent 10146004.
71	6430-06300	Replacing 2D objects with 3D objects in a web page	Replacing 2D Images with 3D Images	12/31/19	10523921	A web page has a 2D image. Means are disclosed on how to replace the 2D image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.

72	6430-06303	Replacing 2D objects with 3D objects in a web page	PCT national filing in China.			A web page has a 2D image. Means are disclosed on how to replace the 2D image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.
73	6430-06302	Replacing 2D objects with 3D objects in a web page	U.S. continuation	06/30/20	10701346	A web page has a 2D image. Means are disclosed on how to replace the 2D image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.
74	6430-06400	Replacing 2D objects with	Identifying Replacement 3D	12/31/19	10523922	A web page has a 2D image. Means are disclosed on how to replace the 2D

		3D objects in a web page	Images for 2D images via Ranking Criteria			image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.
		Replacing 2D objects with 3D objects in a web page		N/A		A web page has a 2D image. Means are disclosed on how to replace the 2D image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.
75	6430-06403	Replacing 2D objects with 3D objects in a web page	PCT national filing in China	1/3/ 2025	201980026572.80	A web page has a 2D image. Means are disclosed on how to replace the 2D image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.
76	6430-06404	Replacing 2D objects with 3D objects in a web page	PCT national filing in the EPO			A web page has a 2D image. Means are disclosed on how to replace the 2D image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.
77	6430-06402		U.S. continuation	06/30/ 20	10701347	A web page has a 2D image. Means are disclosed on how to replace the 2D image with a 3D image. The replacement 3D image can derive from a number of sources. 2D to 3D

						conversion, 360 degree image to stereo pair, subsequent frames from a 2D video, a frame from a 3D video, a 3D library found on line, alternatives available on the web site and so on. Means are disclosed on how to select the best replacement image.
78	6430-06501	Passive stylus with hand gestures	Trackability Enhancement of a Passive Stylus	03/09/21	10942585	Means to enhance the trackability of the stylus.
79	6430-06503	Passive stylus with hand gestures	Continuation	03/29/22	11287905	Means to enhance the trackability of the stylus.
80	6430-06504	Passive stylus with hand gestures	PCT national filing in China	08/23/24	ZL202080051560.3	Means to enhance the trackability of the stylus.
81	6430-06505	Passive stylus with hand gestures	PCT national filing in the EPO			Means to enhance the trackability of the stylus.
82	6430-06600	Pi cell driving method	Pi Cell Drive Waveform	09/06/22	11435602	Pi cell polarization rotator driving merthod that minimizes DC build up at the edge.
83	6430-06601	Pi cell driving method	Pi Cell Drive Waveform	09/24/24	12099264	Continuation extends the claims of patent 11435602.
84	6430-06700	Cloud-based Rendering of Interactive Augmented / Virtual Reality Experiences	zSpace in the Cloud using G5	12/12/23	11843755	Moves some of the computational overhead needed to implement zSpace into the Cloud using 5G capabilieies. Potential benefits include reduced power consumption and less computational power needed. This disclosure may include multiple inventions and is likely to require filing of multiple applications.

85	6430-6701	Cloud-based Rendering of Interactive Augmented / Virtual Reality Experiences	PCT national filing in the EPO.			Moves some of the computational overhead needed to implement zSpace into the Cloud using 5G capabilieies. Potential benefits include reduced power consumption and less computational power needed. This disclosure may include multiple inventions and is likely to require filing of multiple applications.
86	6430-6702	Cloud-based Rendering of Interactive	U.S. continuation			Moves some of the computational overhead needed to implement zSpace into the Cloud using 5G capabilieies. Potential benefits

		Augmented / Virtual Reality Experiences				include reduced power consumption and less computational power needed. This disclosure may include multiple inventions and is likely to require filing of multiple applications.
87	6430-6703	Cloud-based Rendering of Interactive Augmented / Virtual Reality Experiences	U.S. continuation	01/07/25	12192434	Moves some of the computational overhead needed to implement zSpace into the Cloud using 5G capabilieies. Potential benefits include reduced power consumption and less computational power needed. This disclosure may include multiple inventions and is likely to require filing of multiple applications.
88	6430-6704	Cloud-based Rendering of Interactive Augmented / Virtual Reality Experiences	U.S. continuation	03/18/25	12256052	Moves some of the computational overhead needed to implement zSpace into the Cloud using 5G capabilieies. Potential benefits include reduced power consumption and less computational power needed. This disclosure may include multiple inventions and is likely to require filing of multiple applications.
89	6430-6705	Cloud-based Rendering of Interactive Augmented / Virtual Reality Experiences	U.S. continuation	03/18/25	12256053	Moves some of the computational overhead needed to implement zSpace into the Cloud using 5G capabilieies. Potential benefits include reduced power consumption and less computational power needed. This disclosure may include multiple inventions and is likely to require filing of multiple applications.
90	6430-6706	Cloud-based Rendering of Interactive Augmented / Virtual Reality Experiences	U.S. continuation	03/18/25	12256054	Moves some of the computational overhead needed to implement zSpace into the Cloud using 5G capabilieies. Potential benefits include reduced power consumption and less computational power needed. This disclosure may include multiple inventions and is likely to require filing of multiple applications.

EXHIBIT C

Trademarks

EXHIBIT D

Mask Works

Exhibit 10.6

Execution Version

INTERCREDITOR AND SUBORDINATION AGREEMENT

INTERCREDITOR AND SUBORDINATION AGREEMENT, dated as of April 11, 2025 (this "Agreement"), among FIZA INVESTMENTS LIMITED, an entity organized under the laws of the Cayman Islands ("Fiza"), as representative (in such capacity, with its successors and assigns, and as more specifically defined below, the "Fiza Financing Representative") for the Fiza Financing Secured Parties (as defined below), [●], a Delaware limited partnership, as representative (in such capacity, with its successors and assigns, and as more specifically defined below, the "New Lender Representative") for the New Lender Secured Parties (as defined below), and ZSPACE, INC., a Delaware corporation (the "Company").

WHEREAS, Fiza and certain of its affiliates (collectively, the "Fiza Financing Secured Parties") are parties to certain financing agreements (each, an "Existing Fiza Financing Agreement") with the Company as set forth in Schedule A hereof;

WHEREAS, the Company has granted to the Fiza Financing Secured Parties security interests in the Fiza Financing Collateral (as defined below) as security for payment and performance of the Fiza Financing Obligations (as defined below);

WHEREAS, pursuant to that certain Securities Purchase Agreement, dated as of the date hereof between the Company and the purchasers (including the New Lender Representative) signatory thereto (the "Existing New Lender Agreement"), such purchasers are purchasing, subject to the conditions outlined in such agreement, senior secured convertible promissory notes of the Company in the aggregate original principal amount of $21,505,377 for the purchase price of $20,000,000 (the "Existing New Lender Notes"); and

WHEREAS, the Company has granted to the New Lender Representative security interests in the New Lender Collateral (as defined below) as security for payment and performance of the New Lender Obligations (as defined below).

WHEREAS, as a condition to their agreement to purchase the Existing New Lender Notes and extend credit to the Company as set forth in the Existing New Lender Agreement, the New Lender Creditors (as defined below) and the New Lender Representative require the Company and the Fiza Financing Secured Parties to enter into this Agreement and subordinate their security interests in the Fiza Financing Collateral to the security interests of the New Lender Secured Parties (as defined below) in the New Lender Collateral, on the terms set forth herein;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions; Rules of Construction.*

1.1 UCC Definitions. The following terms which are defined in the Uniform Commercial Code are used herein as so defined: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Financial Assets, Fixtures, Goods, General Intangibles, Instruments, Inventory, Investment Property, Letter of Credit, Letter-of-Credit Rights, Money, Payment Intangibles, Promissory Notes, Proceeds, Records, Securities, Securities Accounts, Security Entitlements, Supporting Obligations, and Tangible Chattel Paper.

1.2 Defined Terms. The following terms, as used herein, have the following meanings:

"Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Company" has the meaning set forth in recitals.

"Collateral" means, collectively, all Fiza Financing Collateral and all New Lender Collateral.

"Enforcement Action" means, with respect to the Fiza Financing Obligations or the New Lender Obligations, (a) the declaration of a default, an event of default or any similar event under any Fiza Financing Document or any New Lender Document, (b) the taking of any action to enforce or realize upon any Lien in the Collateral, including the institution of any foreclosure proceedings or the noticing of any public or private sale or other disposition pursuant to Article 8 or Article 9 of the Uniform Commercial Code or other applicable law, (c) the exercise of any right or remedy provided to a secured creditor or otherwise on account of a Lien in the Collateral under the Fiza Financing Documents, the New Lender Documents, applicable law, in an Insolvency Proceeding or otherwise, including the election to retain any Collateral in satisfaction of a Lien, (d) the taking of any action or the exercise of any right or remedy in respect of the collection on, set off against, marshaling of, or foreclosure on the Collateral or the Proceeds of Collateral, (e) the sale, lease, license, or other disposition of all or any portion of the Collateral, at a private or public sale, other disposition or any other means permissible under applicable law at any time that an event of default under any of the Fiza Financing Documents or New Lender Documents shall have occurred which is continuing, and (f) the exercise of any other right of liquidation against any Collateral (including the exercise of any right of recoupment or set-off or any rights against Collateral obtained pursuant to or by foreclosure of a judgment Lien obtained against the Company) whether under the Fiza Financing Documents, the New Lender Documents, applicable law, in an Insolvency Proceeding or otherwise.

"Enforcement Expenses" shall mean all reasonable costs, expenses or fees (including fees incurred by the Fiza Financing Representative, the New Lender Representative or any attorneys or other agents or consultants retained by the Fiza Financing Representative or the New Lender Representative) that the Fiza Financing Representative, the New Lender Representative or any other Fiza Financing Secured Party or New Lender Secured Party may suffer or incur after the occurrence of a breach, default or event of default on account or in connection with (a) the repossession, storage, repair, appraisal, insuring, completion of the manufacture of, preparing for sale, advertising for sale, selling, collecting or otherwise preserving or realizing upon any Collateral, (b) the settlement or satisfaction of any prior Lien or other encumbrance upon any Collateral, (c) the enforcement of, or any workout under or restructuring of, any of the Fiza Financing Documents or the New Lender Documents, as the case may be, or the collection of any of the Fiza Financing Obligations or the New Lender Obligations, as the case may be, (d) any Insolvency Proceeding or (e) the exercise of rights under Section 3 hereof.

"Financing Documents" shall mean, collectively, the Fiza Financing Documents and the New Lender Documents.

"Fiza" has the meaning set forth in the preamble hereto.

"Fiza Financing Agreement" means the collective reference to (a) the Existing Fiza Financing Agreements, and (b) any lease, credit agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial or leasing accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing Fiza Financing Agreements (regardless of whether such replacement, refunding or refinancing is a "working capital" facility, asset-based facility or otherwise), any Additional Fiza Financing Agreement or any other agreement or instrument referred to in this clause (b) (a "Replacement Fiza Financing Agreement"). Any reference to a Fiza Financing Agreement hereunder shall be deemed a reference to any Fiza Financing Agreement then extant.

"Fiza Financing Collateral" means all assets, whether now owned or hereafter acquired by the Company, in which a Lien is granted or purported to be granted to any Fiza Financing Secured Party as security for any Fiza Financing Obligation.

"Fiza Financing Documents" means each Fiza Financing Agreement, each Fiza Financing Security Document, and each other agreement, instrument or other document from time to time executed or delivered in connection with any of the foregoing.

"Fiza Financing Lien" means any Lien created by the Fiza Financing Security Documents.

"Fiza Financing Obligations" means (a) all principal of and interest (including without limitation any Post-Petition Fees) and premium (if any) on all indebtedness under the Fiza Financing Agreements by the Fiza Financing Secured Parties, (b) all guarantee obligations, indemnities, fees, expenses and other amounts payable from time to time pursuant to the Fiza Financing Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding and (c) all other amounts due to the Fiza Financing Secured Parties under the terms of the Fiza Financing Documents. To the extent any payment with respect to any Fiza Financing Obligation (whether by or on behalf of the Company, as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any New Lender Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the New Lender Secured Parties and the Fiza Financing Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred. Notwithstanding anything to the contrary contained in this Agreement, the term "Fiza Financing Obligations" shall include, (x) Enforcement Expenses, (y) any amounts required to be paid by the Company to the Fiza Financing Representative or any other Fiza Financing Secured Party on such date pursuant to any indemnity provision contained in the Fiza Financing Documents and (z) break-funding or similar payments payable to the Fiza Financing Representative and/or the Fiza Financing Secured Parties pursuant to the Fiza Financing Documents in connection with prepayment of a Fiza Financing Obligation.

"Fiza Financing Obligations Payment Date" means the first date on which (a) the Fiza Financing Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full and (b) the Fiza Financing Documents shall have been terminated and extinguished in accordance with their respective terms.

"Fiza Financing Representative" has the meaning set forth in the introductory paragraph hereof.

"Fiza Financing Security Documents" means the Fiza Financing Agreements and any other agreement, document or instrument pursuant to which a Lien is granted by the Company securing any Fiza Financing Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing, to the extent permitted hereby.

"Fiza Financing Secured Parties" has the meaning set forth in the preamble hereto.

"Insolvency Proceeding" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, deed to secure debt, lien, pledge, hypothecation, assignment, assignation, debenture, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Lien Priority" means with respect to any Lien of the Fiza Financing Representative or New Lender Representative in the Collateral, the order of priority of such Lien specified in Section 2.1.

"New Lender Agreement" means the collective reference to (a) the Existing New Lender Agreement and the Existing New Lender Notes and (b) any other credit agreement, loan agreement, securities purchase agreement, note agreement, promissory note, additional notes, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to increase, extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing New Lender Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not a New Lender Agreement hereunder (a **"**Replacement New Lender Agreement**"**). Any reference to the New Lender Agreement hereunder shall be deemed a reference to any New Lender Agreement then extant.

"New Lender Collateral" means all assets, whether now owned or hereafter acquired by the Company, in which a Lien is granted or purported to be granted to any New Lender Secured Party as security for any New Lender Obligation.

"New Lender Creditors" means the note purchasers under the Existing New Lender Agreement.

"New Lender DIP Financing" has the meaning set forth in Section 5.2(a).

"New Lender Documents" means the New Lender Agreement, each New Lender Security Document and each other "Transaction Document" as defined in the New Lender Agreement.

"New Lender Lien" means any Lien created by the New Lender Security Documents.

"New Lender Obligations" means (a) all principal of and interest (including without limitation any Post-Petition Fees) and premium (if any) on all indebtedness under the New Lender Agreement or any New Lender DIP Financing by the New Lender Secured Parties, (b) all guarantee obligations, indemnities, fees, expenses and other amounts payable from time to time pursuant to the New Lender Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding and (c) all other amounts due or which may become due to the New Lender Secured Parties under the terms of the New Lender Documents. To the extent any payment with respect to any New Lender Obligation (whether by or on behalf of the Company, as Proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Fiza Financing Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the Fiza Financing Secured Parties and the New Lender Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred. Notwithstanding anything to the contrary contained in this Agreement, the term "New Lender Obligations" shall include, (x) Enforcement Expenses, (y) any amounts required to be paid by the Company to the New Lender Representative or any other New Lender Secured Party on such date pursuant to any indemnity provision contained in the New Lender Documents and (z) break-funding or similar payments payable to the New Lender Representative and/or the New Lender Secured Parties pursuant to the New Lender Documents in connection with prepayment of a New Lender Obligation.

"New Lender Obligations Payment Date" means the first date on which (a) the New Lender Obligations (other than those that constitute Unasserted Contingent Obligations) have been paid in cash in full and (b) all commitments to extend credit under the New Lender Documents have been terminated.

"New Lender Representative" has the meaning set forth in the introductory paragraph hereof.

"New Lender Secured Parties" means the New Lender Representative, the New Lender Creditors and any other holders of the New Lender Obligations.

"New Lender Security Documents" means (a) any New Lender Agreement, the Security Agreement (as defined in the Existing New Lender Agreement), and any other "Security Documents" as defined in the New Lender Agreement and any documents that are designated under the New Lender Agreement as "New Lender Security Documents" for purposes of this Agreement, and (b) any other agreement, document or instrument pursuant to which a Lien is granted by the Company securing any New Lender Obligations or under which rights or remedies with respect to such Liens are governed, together with any amendments, replacements, modifications, extensions, renewals or supplements to, or restatements of, any of the foregoing.

"Person" means any person, individual, sole proprietorship, partnership, joint venture, corporation, limited liability company, unincorporated organization, association, institution, entity, party, including any government and any political subdivision, agency or instrumentality thereof.

"Post-Petition Fees" means any discounts, fees, interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding (or would accrue but for the commencement of an Insolvency Proceeding), whether or not allowed or allowable in any such Insolvency Proceeding.

"Proceeds" means (a) all "proceeds," as defined in Article 9 of the Uniform Commercial Code, with respect to the Collateral, and (b) whatever is recoverable or recovered when any Collateral is sold, exchanged, collected, or disposed of, whether voluntarily or involuntarily.

"Replacement Fiza Financing Agreement" has the meaning set forth in the definition of "Fiza Financing Agreement."

"Replacement New Lender Agreement" has the meaning set forth in the definition of "New Lender Agreement."

"Secured Obligations" shall mean the Fiza Financing Obligations and the New Lender Obligations.

"Secured Parties" means the Fiza Financing Secured Parties and the New Lender Secured Parties.

"Security Documents" means, collectively, the Fiza Financing Security Documents and the New Lender Security Documents.

"Unasserted Contingent Obligations" shall mean, at any time, Fiza Financing Obligations or New Lender Obligations, as applicable, for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding the outstanding advances, principal of, and interest, discounts and premium (if any) on, and fees and expenses relating to, any Fiza Financing Obligation or New Lender Obligation, as applicable) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of Fiza Financing Obligations or New Lender Obligations, as applicable, for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.3 Rules of Construction. The definitions of terms set forth herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. *Lien Priority and Payment Subordination.*

2.1 Lien Subordination. Notwithstanding the date, manner or order of grant, attachment or perfection of any Fiza Financing Lien in respect of any Collateral or of any New Lender Lien in respect of any Collateral and notwithstanding any provision of the UCC, any applicable law, any Security Document, any alleged or actual defect or deficiency in any of the foregoing or any other circumstance

whatsoever, the Fiza Financing Representative, on behalf of each Fiza Financing Secured Party, in respect of such Collateral hereby agrees that:

(a) any New Lender Lien in respect of such Collateral, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be and shall remain senior and prior to any Fiza Financing Lien in respect of such Collateral (whether or not such New Lender Lien is subordinated to any Lien securing any other obligation); and

(b) the Fiza Financing Representative does hereby agree to subordinate any Fiza Financing Lien in respect of such Collateral, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, to any New Lender Lien in respect of such Collateral and all Fiza Financing Liens shall be junior and subordinate in all respects to any New Lender Lien in respect of such Collateral.

2.2 Prohibition on Contesting Liens. In respect of any Collateral, the Fiza Financing Representative, on behalf of each Fiza Financing Secured Party, agrees that it shall not, and hereby waives any right to:

(a) contest, or support any other Person in contesting, in any proceeding (including any Insolvency Proceeding), the priority, validity or enforceability of any New Lender Lien on any Collateral; or

(b) demand, request, plead or otherwise assert or claim the benefit of any marshalling, appraisal, valuation or similar right which it may have in respect of any Collateral or the New Lender Liens on any Collateral, except to the extent that such rights are expressly granted in this Agreement.

2.3 Nature of Obligations. The New Lender Representative, on behalf of itself and the other New Lender Secured Parties, acknowledges that Fiza Financing Obligations may only be replaced or refinanced in compliance with Section 3.1(b). The Fiza Financing Representative, on behalf of itself and the other Fiza Financing Secured Parties, acknowledges that New Lender Obligations may be replaced or refinanced without notice to or consent by the Fiza Financing Secured Parties and without affecting the provisions hereof. The Lien Priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the Fiza Financing Obligations or the New Lender Obligations, or any portion thereof.

2.4 No New Liens. Until the New Lender Obligations Payment Date, the Company shall not grant or permit any Liens in favor of the Fiza Financing Representative or any other Fiza Financing Secured Party on any assets of the Company securing any Fiza Financing Obligation. If any Fiza Financing Secured Party shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of the Company securing any Fiza Financing Obligation which assets are not also subject to the Lien of the New Lender Representative under the New Lender Documents, subject to the Lien Priority set forth herein, then the Fiza Financing Representative (or the relevant Fiza Financing Secured Party) shall, without the need for any further consent of any other Fiza Financing Secured Party and notwithstanding anything to the contrary in any other Fiza Financing Document be deemed to also hold and have held such Lien for the benefit of the New Lender Representative as security for the New Lender Obligations, and the interests of all Fiza Financing Secured Parties shall in all respects be subordinated and junior to the interests of New Lender Representative in respect of any Collateral subject thereto, and such Fiza Financing Secured Party shall promptly notify the New Lender Representative in writing of the existence of such Lien.

2.5 Separate Grants of Security and Separate Classification. Each Secured Party acknowledges and agrees that (i) the grants of Liens pursuant to the Fiza Financing Security Documents and the New Lender Security Documents constitute two separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the Collateral, the New Lender Obligations are fundamentally different from the Fiza Financing Obligations and should be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding.

2.6 Agreements Regarding Actions to Perfect Liens. Each of the Fiza Financing Representative and the New Lender Representative hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Collateral pursuant to the Fiza Financing Security Documents or the New Lender

Security Documents, as applicable, such possession or control is also for the benefit of the New Lender Representative and the other New Lender Secured Parties or the Fiza Financing Representative and the other Fiza Financing Secured Parties, as applicable, solely to the extent required to perfect their security interest in such Collateral. Nothing in the preceding sentence shall be construed to impose any duty on the Fiza Financing Representative or the New Lender Representative (or any third party acting on such Person's behalf) with respect to such Collateral.

2.7 Payment Subordination.

(a) Notwithstanding anything to the contrary contained in any of the Fiza Financing Documents, the payment of any and all of the Fiza Financing Obligations shall be subordinate, and subject in right and time of payment, to the prior indefeasible payment in full in cash of all New Lender Obligations. Each holder of New Lender Obligations (including, without limitation, each New Lender Secured Party), whether now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired New Lender Obligations in reliance upon the provisions contained in this Agreement. All New Lender Obligations shall first be indefeasibly paid in full in cash before any payment, whether in cash, securities or other property, may be made to any Fiza Financing Secured Party on account of any Fiza Financing Obligations or otherwise.

(b) The Company and the Fiza Financing Representative (on behalf of itself and the other Fiza Financing Secured Parties) agree that the Fiza Financing Obligations Payment Date shall be a date that is at least ninety (90) calendar days after the New Lender Obligations Payment Date.

SECTION 3. *Enforcement Rights*

3.1 Exclusive Enforcement.

(a) Until the New Lender Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against the Company, the New Lender Secured Parties shall have the exclusive right to take and continue any Enforcement Action (including the right to credit bid their debt) with respect to the Collateral, without any consultation with or consent of any Fiza Financing Secured Party.

(b) Until the New Lender Obligations Payment Date has occurred and without the prior written consent of the New Lender Representative, no Fiza Financing Secured Party may (i) declare any default, event of default or similar event pursuant to any Fiza Financing Document, (ii) receive payment of any amount, whether in cash, securities or other property under any Fiza Financing Document or otherwise except as expressly permitted pursuant to Schedule 3.1(b) hereto, or (iii) amend any Fiza Financing Document or enter into any new Fiza Financing Document.

3.2 Standstill and Waivers. The Fiza Financing Representative, on behalf of itself and the other Fiza Financing Secured Parties, agrees that, until the New Lender Obligations Payment Date has occurred:

(i) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien on any New Lender Collateral that secures any Fiza Financing Obligation *pari passu* with or senior to, or to give any Fiza Financing Secured Party any preference or priority relative to, the Liens of the New Lender Secured Parties on any Collateral securing the New Lender Obligations;

(ii) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of any Collateral by any New Lender Secured Party or any other Enforcement Action taken (or any forbearance from taking any Enforcement Action) in respect of any Collateral by or on behalf of any New Lender Secured Party;

(iii) they have no right to (x) direct either the New Lender Representative or any other New Lender Secured Party to exercise any right, remedy or power with respect to any Collateral or pursuant to the New Lender Security Documents or (y) consent or object to the exercise by the New Lender Representative or any other New Lender Secured Party of any right, remedy or power with respect to the Collateral or pursuant to the New Lender Security Documents with respect to the Collateral or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (iii), whether as a junior lien creditor in respect of the Collateral or otherwise, they hereby irrevocably waive such right);

(iv) they will not institute, or assert, in any suit, Insolvency Proceeding or other proceeding any claim against any New Lender Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and no New Lender Secured Party shall be liable for, any action taken or omitted to be taken by any New Lender Secured Party with respect to the Collateral or pursuant to the New Lender Documents in respect of the Collateral;

(v) they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of any Collateral, exercise any right, remedy or power with respect to (including set-off), or otherwise take any action to enforce their interest in or realize upon, the Collateral (including the exercise of any right under any lockbox agreement or account control agreement (but excluding any such lockbox or deposit account that does not receive proceeds of Collateral); and

(vi) they will not seek, and hereby waive any right, to have the Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Collateral;

provided, that, notwithstanding anything in this Agreement to the contrary:

i. the Fiza Financing Representative may take any action (not adverse to the prior Liens on the Collateral securing the New Lender Obligations, or the rights of the New Lender Representative or any other New Lender Secured Parties to exercise remedies in respect thereof) in order to preserve or protect its Lien on the Fiza Financing Collateral in accordance with applicable law and in a manner not inconsistent with or in contravention of the terms of this Agreement(including, but not limited to, any of the provisions of Section 5);

ii. the Fiza Financing Secured Parties shall be entitled to file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims of the Fiza Financing Secured Parties, including any claims secured by the Fiza Financing Collateral, if any, in each case in accordance with applicable law and in a manner not inconsistent with or in contravention of the terms of this Agreement (including, but not limited to, any of the provisions of Section 5);

iii. the Fiza Financing Secured Parties shall be entitled to file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Company arising under either the Bankruptcy Code or applicable non-bankruptcy law, in each case in accordance with applicable law and not inconsistent with or in contravention of the terms of this Agreement (including, but not limited to, any of the provisions of Section 5);

iv. the Fiza Financing Secured Parties shall be entitled to vote on any plan of reorganization and file any proof of claim in an Insolvency Proceeding or otherwise and other filings and make any arguments and motions that are, in each case, in a manner not inconsistent with or in contravention of the terms of this Agreement (including, but not limited to, any of the provisions of Section 5);

v. the Fiza Financing Secured Parties shall be entitled to join (but not exercise any control with respect to) any judicial foreclosure proceeding or other judicial lien enforcement proceeding (to the extent that such proceeding relates to the Fiza Financing Collateral) commenced by the New Lender Representative to the extent that any such action could not reasonably be expected, in any material respect, to restrain, hinder, limit, delay for any material period or otherwise interfere with an Enforcement Action by such New Lender Representative (it being understood that neither the Fiza Financing Representative nor any Fiza Financing Secured Party shall be entitled to receive any proceeds from any Collateral unless otherwise expressly permitted herein);

vi. subject to Section 3.2(a)(ii), the Fiza Financing Secured Parties shall be entitled to inspect, appraise or value the Fiza Financing Collateral (and to engage or retain investment bankers or appraisers for the purposes of appraising or valuing the Fiza Financing Collateral) or to receive information or reports concerning the Fiza Financing Collateral, in each case pursuant to the terms of the Fiza Financing Documents or applicable law; and

vii. [Reserved];

viii. the Fiza Financing Representative shall be entitled to bid for Collateral at any public or private sale thereof, provided that (A) such Fiza Financing Representative does not challenge the bid of the New Lender Representative for any Collateral other than by the submission of a competing bid, (B) each New Lender Secured Party may subject to the terms of its Security Documents offset its New Lender Obligations against the purchase price for the Collateral and (C) the Fiza Financing Secured Parties may only bid cash with respect to the Collateral; provided, that the cash portion of any such bid need not exceed the amount of the New Lender Obligations

3.3 Cooperation; Sharing of Information and Access.

(a) In the event that the Fiza Financing Representative shall receive possession or control of any books and Records of the Company which contain information identifying or pertaining to the Collateral, the Fiza Financing Representative shall promptly notify the New Lender Representative of such fact and, upon request from the New Lender Representative and as promptly as practicable thereafter, either make available to the New Lender Representative such books and Records for inspection and duplication or provide to the New Lender Representative copies thereof. In the event that the New Lender Representative shall, in the exercise of its rights under the New Lender Security Documents or otherwise, receive possession or control of any books and records of the Company which contain information identifying or pertaining to any of the Fiza Financing Collateral, the New Lender Representative shall promptly notify the Fiza Financing Representative Agent of such fact and, upon request from the Fiza Financing Representative and as promptly as practicable thereafter, either make available to the Fiza Financing Representative such books and records for inspection and duplication or provide the Fiza Financing Representative copies thereof.

(b) Subject to Section 3.1, the Fiza Financing Representative, on behalf of itself and the other Fiza Financing Secured Parties, agrees that it shall promptly notify the New Lender Representative of the occurrence or existence of a material breach, default or event of default under the Fiza Financing Agreements. The Company agrees that it shall promptly notify the Fiza Financing Representative of the occurrence or existence of a material breach, default or event of default under the New Lender Agreements. Except to the extent the failure to provide notice is reasonably expected to harm the New Lender Representative, the failure to provide the notices in this subsection shall not expose the Fiza Financing Representative to any liability or affect their rights hereunder.

SECTION 4. *Application of Proceeds of Collateral; Dispositions and Releases of Lien; Notices and Insurance*

4.1 Application of Proceeds.

(a) Application of Proceeds of Collateral. The New Lender Representative and Fiza Financing Representative hereby agree that all Collateral, and all Proceeds thereof, received by either of them in connection with the collection, sale or disposition of any Collateral upon the exercise of remedies by any of the New Lender Representative, the Fiza Financing Representative or any other Secured Party, shall be applied,

first, to the payment of reasonable costs and expenses (including reasonable attorneys' fees and expenses and court costs) of the New Lender Representative in connection with such Enforcement Action,

second, to the payment of the New Lender Obligations in accordance with the New Lender Documents until the New Lender Obligations Payment Date,

third, to the payment of the Fiza Financing Obligations in accordance with the terms thereof, and

fourth, the balance, if any, to the Company or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

The Fiza Financing Secured Parties receiving payment towards Fiza Financing Obligations pursuant to this subsection shall indemnify the party hereto who makes such payment, to the extent of such payment, against claims of third parties claiming a superior right to such Proceeds. Notwithstanding the foregoing, the New Lender Secured Parties may elect to apply Proceeds of any Collateral towards satisfaction of any component of the New Lender Obligations prior to application to costs and/or expenses.

(b) Limited Obligation or Liability. In exercising remedies, whether as a secured creditor or otherwise, the New Lender Representative shall have no obligation or liability to the Fiza Financing Representative or to any Fiza Financing Secured Party, regarding the adequacy of any Proceeds or for any action or omission, save and except solely for an action or omission that breaches the express obligations undertaken by each party under the terms of this Agreement.

(c) Segregation of Collateral. Until the New Lender Obligations Payment Date has occurred, any Collateral that may be received by any Fiza Financing Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the New Lender Representative, for the benefit of the New Lender Secured Parties, in the same form as received, with any necessary endorsements, and each Fiza Financing Secured Party hereby authorizes the New Lender Representative to make any such endorsements as agent for the Fiza Financing Representative (which authorization, being coupled with an interest, is irrevocable).

4.2 Insurance. Proceeds of Collateral may include insurance proceeds. The New Lender Representative shall have the sole and exclusive right, as against the Fiza Financing Representative, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of any Collateral. All proceeds of such insurance shall be remitted to the New Lender Representative, and the Fiza Financing Representative shall cooperate with New Lender Representative in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1.

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions. Except as permitted under Section 3.2, until the occurrence of

the New Lender Obligations Payment Date, the Fiza Financing Representative agrees on behalf of itself and the other Fiza Financing Secured Parties that no Fiza Financing Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case in respect of any Collateral, including, without limitation, with respect to the determination of any Liens or claims held by the New Lender Representative (including the validity and enforceability thereof) or any other New Lender Secured Party in respect of any Collateral or the value of any claims of such parties under Section 506(a) of the Bankruptcy Code or otherwise except that the Fiza Financing Secured Parties may assert that Collateral also secures Fiza Financing Obligations (and/or that equity exists in such Collateral above the amount of New Lender Obligations, as such amount is asserted by the New Lender Secured Parties holding such New Lender Obligations) for purposes of valuation of Fiza Financing Secured Parties' secured claim under Section 506(a) of the Bankruptcy Code or otherwise.

5.2 Financing Matters. (a) The Fiza Financing Representative agrees, on behalf of itself and the other Fiza Financing Secured Parties, that if the Company becomes subject to any Insolvency Proceeding in the United States at any time prior to the New Lender Obligations Payment Date, and the New Lender Secured Parties desire to provide financing to the Company under the Bankruptcy Code (any such financing, "New Lender DIP Financing"), the New Lender Secured Parties shall not be obligated to obtain the consent of any

other party hereto to such New Lender DIP Financing and may provide such New Lender DIP Financing in any amount or manner as it so determines

(b) All Liens granted to the New Lender Representative or the Fiza Financing Representative in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended to be and shall be deemed to be subject to the Lien Priority and the other terms and conditions of this Agreement.

5.3 Relief From the Automatic Stay. Until the New Lender Obligations Payment Date, the Fiza Financing Representative agrees, on behalf of itself and the other Fiza Financing Secured Parties, that none of them will seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Collateral without the prior written consent of the New Lender Representative

5.4 No Contest. The Fiza Financing Representative, on behalf of itself and the Fiza Financing Secured Parties, agrees that, prior to the New Lender Obligations Payment Date, none of them shall contest (or support any other Person contesting) (a) any request by the New Lender Representative or any New Lender Secured Party for adequate protection of its interest in any Collateral or (b) any objection by the New Lender Representative or any New Lender Secured Party to any motion, relief, action, or proceeding based on a claim by the New Lender Representative or any New Lender Secured Party that its interests in the Collateral are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the New Lender Representative as adequate protection of its interests are subject to this Agreement.

5.5 Avoidance Issues. If any New Lender Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of the Company, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "Recovery"), whether received as proceeds of security, enforcement of any right of setoff or otherwise, then the New Lender Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the New Lender Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto.

5.6 Asset Dispositions in an Insolvency Proceeding. Neither the Fiza Financing Representative nor any other Fiza Financing Secured Party shall, in an Insolvency Proceeding or otherwise, oppose any sale or disposition of any Collateral that is supported by the New Lender Secured Parties, and the Fiza Financing Representative and each other Fiza Financing Secured Party will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale of any Collateral supported by the New Lender Secured Parties and to have released their Liens on such assets.

5.8 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto

expressly acknowledge is a "subordination agreement" under section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency Proceeding.

SECTION 6. *Reliance; Waivers; etc.*

6.1 Reliance. The New Lender Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The Fiza Financing Representative, on behalf of it itself and the other Fiza Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the New Lender Representative and the other New Lender Secured Parties.

6.2 No Warranties or Liability. The New Lender Representative and the Fiza Financing Representative acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectability or enforceability of any other Fiza Financing Document or any New Lender Document New Lender Representative will be entitled to manage and supervise the respective extensions of credit to the Company in accordance with law and its usual practices, modified from time to time as it deems appropriate.

6.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by the Company with the terms and conditions of any of the Fiza Financing Documents or the New Lender Documents.

SECTION 7. *Obligations Unconditional.* All rights, interests, agreements and obligations hereunder of the New Lender Representative and the New Lender Secured Parties in respect of any Collateral and the Fiza Financing Representative and the Fiza Financing Secured Parties in respect of such Collateral shall remain in full force and effect regardless of:

(a) any lack of validity or enforceability of any New Lender Document or any Fiza Financing Document and regardless of whether the Liens of the New Lender Representative and New Lender Secured Parties are not perfected or are voidable for any reason;

(b) any change in the time, manner or place of payment of, or in any other terms of, all or any of the New Lender Obligations or Fiza Financing Obligations, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any New Lender Document or any Fiza Financing Document, solely to the extent not in violation of this Agreement;

(c) any exchange, release or lack of perfection of any Lien on any Collateral or any other asset, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the New Lender Obligations or Fiza Financing Obligations or any guarantee thereof;

(d) the commencement of any Insolvency Proceeding in respect of the Company; or

(e) any other circumstances which otherwise might constitute a defense available to, or a discharge of, the Company in respect of any Secured Obligation or of any Fiza Financing Secured Party in respect of this Agreement.

SECTION 8. *Miscellaneous.*

8.1 Further Assurances. Each of the New Lender Representative and the Fiza Financing Representative will, at their own expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the other party may reasonably request, in order to protect any right or interest granted or purported to be granted hereby or to enable the Fiza Financing Representative or the New Lender Representative to exercise and enforce its rights and remedies hereunder; provided, however, that no party shall be required to pay over any payment or distribution, execute any instruments or documents, or take any other action referred to in this Section 8.1, to the extent that such action would contravene any law, order or other legal requirement or any of the terms or provisions of this Agreement, and in the event of a controversy or dispute, such party may interplead any payment or distribution in any court of competent jurisdiction, without further responsibility in respect of such payment or distribution under this Section 8.1.

8.2 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any Fiza Financing Document or any New Lender Document, the provisions of this Agreement shall govern.

8.3 Continuing Nature of Provisions. Subject to Section 5.5, this Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the New Lender Obligations Payment Date. This is a continuing agreement and the New Lender Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit, advances and/or other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, the Company on the faith hereof, subject to the provisions of this Agreement.

8.4 Amendments; Waivers.

(a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the Fiza Financing Representative and the New Lender Representative, and, in the case of amendments or modifications that directly affect the rights or duties of the Company, the Company.

(b) It is understood that the Fiza Financing Representative and the New Lender Representative, without the consent of any other Fiza Financing Secured Party or New Lender Secured Party, may in their discretion determine that a supplemental agreement (which may take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations ("Additional Debt") of the Company become Fiza Financing Obligations or New Lender Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes Fiza Financing Obligations or New Lender Obligations, provided, that such Additional Debt is permitted to be incurred by this Agreement, the Fiza Financing Agreement and the New Lender Agreement, in each case then extant, and is permitted by said agreements to be subject to the provisions of this Agreement as Fiza Financing Obligations or New Lender Obligations, as applicable.

8.5 Information Concerning Financial Condition of the Company. Each of the New Lender Representative and the Fiza Financing Representative hereby assume responsibility for keeping itself informed of the financial condition of the Company and all other circumstances bearing upon the risk of nonpayment of the Fiza Financing Obligations or the New Lender Obligations. The New Lender Representative and the Fiza Financing Representative hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances (except as otherwise provided in the Fiza Financing Documents and New Lender Documents). In the event the New Lender Representative or the Fiza Financing Representative, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation (a) to provide any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information.

8.6 Governing Law. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, EXCEPT AS OTHERWISE REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT REMEDIES PROVIDED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK ARE GOVERNED BY THE LAWS OF SUCH JURISDICTION.

8.7 Submission to Jurisdiction; JURY TRIAL WAIVER. (a) Each Fiza Financing Secured Party, each New Lender Secured Party and the Company hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each such party hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each such party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the any Fiza Financing Secured Party or New Lender Secured Party may otherwise have to bring any action or proceeding against the Company or its properties in the courts of any jurisdiction.

(b) Each Fiza Financing Secured Party, each New Lender Secured Party and the Company hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so (i) any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.8. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) EACH PARTY HERETO HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY HERETO REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

8.8 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, by email or sent by overnight express courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy, upon receipt of email or five days after deposit in the United States mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses and email address for notice purposes of the parties hereto (until notice of a change thereof is delivered as provided in this Section 8.8) shall be as set forth below each party's name on the signature pages hereof, or, at such other address or email address as may be designated by such party in a written notice to all of the other parties.

8.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the Fiza Financing Secured Parties and New Lender Secured Parties and their respective successors and assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral.

8.10 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

8.11 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

8.12 Other Remedies. For avoidance of doubt, it is understood that nothing in this Agreement shall prevent any Fiza Financing Secured Party or any New Lender Secured Party from exercising any available remedy to accelerate the maturity of any indebtedness or other obligations owing under the Fiza Financing Documents or the New Lender Documents, as applicable, or to demand payment under any guarantee in respect thereof.

8.13 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. The parties hereto irrevocably and unreservedly agree that this Agreement may be executed by way of electronic signatures and the parties agree that neither this Agreement, nor any part hereof, shall be challenged or denied any legal effect, validity and/or enforceability solely on the ground that it is in the form of an electronic record. This Agreement shall become effective when it shall have been executed by each party hereto.

8.14 Consent to New Lender Obligations. The Fiza Financing Representative, on behalf of itself and the Fiza Financing Secured Parties, hereby consents to the incurrence by the Company of all New Lender Obligations and the entry into and performance of all

New Lender Documents at any time and from time to time, notwithstanding any prohibition on the incurrence of Liens or indebtedness contained in any Fiza Financing Agreements.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Intercreditor and Subordination Agreement as of the date first written above.

FIZA INVESTMENTS LIMITED, as Fiza Financing Representative for and on behalf of the Fiza Financing Secured Parties

By: _____
Name:
Title:

Address for Notices:

Email:

[●], as New Lender Representative for and on behalf of the New Lender Secured Parties

[●]

By: _____
Name: [●]
Title: [●]

Address for Notices:

Email:

ZSPACE, INC.

By: _____
Name:
Title:

Address for Notices:

Email:

SCHEDULE A

Existing Fiza Financing Agreements

Any leases, credit agreements, note agreements, promissory notes, indentures, loan agreements or other agreements or instruments evidencing or governing the terms of any indebtedness or other financial or leasing accommodation between the Company and Fiza and disclosed in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2024 and filed with the SEC on March 28, 2025.

Schedule 3.1(b)

Permitted Interest Payments

The monthly interest payments set forth below under the applicable debt facilities not exceeding the applicable monthly caps are permitted.[1]

Lender	Tranche	Balance*	Maximum Monthly Interest Payment
Fiza Investments Limited	[Tranche II]	$ [●]	$ 19,000
Fiza Investments Limited	[Tranche III]	$ [●]	$ 17,000

*As contained in the Company's Balance Sheet as of [●], 2025.

[1] Fiza to confirm the references to the facilities and provide up to date balances.

Exhibit 10.7

Amendment No. 4 to Loan and Security Agreement

This Amendment No. 4 to Loan and Security Agreement (this "Amendment") is entered into as of April 11, 2025 (the "Amendment Effective Date"), by and between zSpace, Inc., a Delaware corporation, with an address at 2050 Gateway Place, Suite 100-302, San Jose, CA 95110 ("Borrower"), and Fiza Investments Limited, an entity organized under the laws of the Cayman Islands with a place of business at PO Box 215931, Emaar Square 4, 7th Floor, Downtown Dubai, United Arab Emirates ("Lender").

WHEREAS, Borrower and Lender entered into a Loan and Security Agreement dated November 3, 2022, as amended on July 11, 2024, October 23, 2024 and November 7, 2024 (the "Loan Agreement"), pursuant to which Lender loaned Borrower the principal sum of US$5,000,000 (the "Loan");

WHEREAS, Borrower may issue one or more senior secured convertible notes to [•] pursuant to that certain senior secured convertible note purchase agreement, of even date herewith, by and between Borrower and [•] (the "Senior Secured Convertible Notes"); and

WHEREAS, the parties desire to amend the Loan Agreement to modify the Maturity Date and repayment terms.

NOW, THEREFORE, the parties agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment, including its preamble and recitals, shall have the meanings given to them in the Loan Agreement.

2. Maturity Date. The "Maturity Date" section set forth on Schedule A is hereby amended and restated in its entirety to read as follows: The latter to occur of "December 31, 2027 or 12 months after the date in which there is no debt outstanding under that Senior Secured Convertible Note Purchase in favor of [•]."

3. Repayment. The "Repayment / Prepayment" section set forth on Schedule A is hereby amended and restated in its entirety to read as follows: "Repayment Schedule. After the Repayment Date, the remaining balance of the Loan (including the remaining principal and interest, as of the date hereof, set forth on Annex A to this Amendment and accumulated interest thereon) shall be amortized and repaid in equal installments over the following twelve (12) months after the Repayment Date. For purposes of this clause, "Repayment Date" shall mean the date in which Borrower's obligations under any outstanding Senior Secured Convertible Notes have been fully satisfied."

4. Event of Default. The following shall be added to the end of Section 6 of the Loan Agreement. "(xvii) the occurrence of an "Event of Default" (as defined in any Senior Secured Convertible Note) under any outstanding Senior Secured Convertible Note, provided that such Event of Default may not be excused by disclosure in writing to the Lender."

5. Collateral. The following shall be added to the end of Section 3.2 of the Loan Agreement. It is hereby clarified that, immediately upon the repayment or completion of all obligations of the Senior Secured Convertible Note, the Borrower shall ensure that the security interest for the Collateral is perfected in favor of the Lender including but not limited to UCC-1 filing, all necessary assignment and relevant filings for all the Intellectual Property.

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6. Entire Agreement. This Amendment shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and its respective successors and assigns. This Amendment and all documents, instruments, and agreements executed in connection herewith incorporate all of the discussions and negotiations between Borrower and Lender, either expressed or implied, concerning the matters included herein and in such other documents, instruments and agreements, any statute, custom, or usage to the contrary notwithstanding. No such discussions or negotiations shall limit, modify, or otherwise affect the provisions hereof. No modification, amendment, or waiver of any provision of this Amendment, or any provision of any other document, instrument, or agreement between Borrower and Lender shall be effective unless executed in writing by the party to be charged with such modification, amendment, or waiver, and if such party be Lender, then by a duly authorized officer thereof.

7. Illegality or Unenforceability. Any determination that any provision or application of this Amendment is invalid, illegal, or unenforceable in any respect, or in any instance, shall not affect the validity, legality, or enforceability of any such provision in any other instance, or the validity, legality, or enforceability of any other provision of this Amendment.

8. Consistent Changes; Conflicts. The Loan Documents are hereby amended wherever necessary to reflect the changes described above. To the extent any term or provision herein conflicts with any term or provision contained in any of the Loan Documents, the term or provision provided for herein shall control.

9. Continuing Validity. Except as expressly modified pursuant to this Amendment, the terms of the Loan Documents remain unchanged and in full force and effect. Nothing in this Amendment shall constitute a satisfaction of the Obligations. It is the intention of Lender and Borrower to retain as liable parties all makers and endorsers of Loan Documents, unless the party is expressly released by Lender in writing. No maker, endorser, or guarantor will be released by virtue of this Amendment. The terms of this Section 6 apply not only to this Amendment, but also to all subsequent loan modification agreements.

9. No Waiver. This Amendment is not applicable to any Event of Default under any Loan Document arising after the Effective Date or as a result of the transactions contemplated hereby.

11. Reservation of Rights. Lender hereby reserves all rights and remedies under the Loan Documents, at law, in equity or otherwise.

12. Successors and Assigns. This Amendment shall inure to the benefit of and be binding upon the heirs, successors, and permitted assigns of the parties.

13. Governing Law and Jurisdiction. This Amendment shall be construed and enforced in accordance with the terms of the laws of the State of New York without regard to its conflicts of laws principles. If any provision of this Amendment is not enforceable, the remaining provisions of the Amendment shall be enforced in accordance with their terms. Borrower, and Lender represent and warrant to each other that each is duly authorized to execute and deliver this Amendment on their respective behalves.

14. Counterparts. This Amendment may be executed in two or more counterparts each of which shall constitute an original and all of which shall, when taken together, constitute one and the same agreement, notwithstanding that all parties may not have signed all counterparts of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

ZSPACE, INC.

By: /s/ Paul Kellenberger
Name: Paul Kellenberger
Title: Chairman and CEO

FIZA INVESTMENTS LIMITED

By: /s/ Hamad Aljumairi
Name: Hamad Aljumairi
Title: Authorised Signatory

ANNEX A

REMAINING OUSTANDING PRINCIPAL AND INTEREST

Exhibit 10.8

Amendment No. 3 to Loan and Security Agreement

This Amendment No. 3 to Loan and Security Agreement (this "Amendment") is entered into as of April 11, 2025 (the "Amendment Effective Date"), by and between zSpace, Inc., a Delaware corporation, with an address at 2050 Gateway Place, Suite 100-302, San Jose, CA 95110 ("Borrower"), and Fiza Investments Limited, an entity organized under the laws of the Cayman Islands with a place of business at PO Box 215931, Emaar Square 4, 7th Floor, Downtown Dubai, United Arab Emirates ("Lender").

WHEREAS, Borrower and Lender entered into a Loan and Security Agreement dated July 11, 2024, as amended on October 23, 2024 and November 7, 2024 (the "Loan Agreement"), pursuant to which Lender loaned Borrower the principal sum of US$4,300,000 (the "Loan");

WHEREAS, Borrower may issue one or more senior secured convertible notes to [•] pursuant to that certain senior secured convertible note purchase agreement, of even date herewith, by and between Borrower and [•] (the "Senior Secured Convertible Notes"); and

WHEREAS, the parties desire to amend the Loan Agreement to provide for interest-only payments for a specified period.

NOW, THEREFORE, the parties agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment, including its preamble and recitals, shall have the meanings given to them in the Loan Agreement.

2. Maturity Date. The "Maturity Date" section set forth on Schedule A is hereby amended and restated in its entirety to read as follows: The latter to occur of "December 31, 2027 or 12 months after the date in which there is no debt outstanding under that Senior Secured Convertible Note Purchase in favor of [•]."

3. Interest. The Interest section of Schedule A of the Loan Agreement is hereby deleted and replaced in its entirety with the following. "On and after the Effective Date and through to the Amendment Effective Date, each Loan shall accrue interest on the outstanding principal balance of such Loan at a per annum interest rate of 25% payable. After the Amendment Effective Date and through to the relevant Maturity Date, each Loan shall accrue interest on the outstanding principal balance of such Loan at a per annum interest rate of 20%. Interest shall be computed on a 360 day year for the actual number of days elapsed. Any amounts outstanding during the continuance of an Event of Default shall bear an additional interest at the rate of 3% per annum (the "Default Rate")."

4. Amendment to Payment Terms: The following paragraph shall be added to the "Repayment and Interest" Section of Schedule A. "Repayment Schedule Amendment. For the period commencing on the Amendment Effective Date and ending on the Repayment Date (as defined below), Borrower shall make monthly payments of interest only. After the Repayment Date, the remaining balance of each loan (including the remaining principal and interest, as of the date hereof, set forth on Annex A to this Amendment and accumulated interest thereon) shall be amortized and repaid in equal installments over the following twelve (12) months. For purposes of this clause, "Repayment Date" shall mean the date in which Borrower's obligations under any outstanding Senior Secured Convertible Notes have been fully satisfied.

5. Exhibit 1. Exhibit 1 of the Loan Agreement is hereby deleted in its entirety.

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6. Event of Default. The following shall be added to the end of Section 6 of the Loan Agreement. "(xviii) the occurrence of an "Event of Default" (as defined in any Senior Secured Convertible Note) under any outstanding Senior Secured Convertible Note, provided that such Event of Default may not be excused by disclosure in writing to the Lender."

7. Collateral. The following shall be added to the end of Section 3.2 of the Loan Agreement. It is hereby clarified that, immediately upon the repayment or completion of all obligations of the Senior Secured Convertible Note, the Borrower shall ensure that the security

interest for the Collateral is perfected in favor of the Lender including but not limited to UCC-1 filing, all necessary assignment and relevant filings for all the Intellectual Property.

8. Entire Agreement. This Amendment shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Lender and its respective successors and assigns. This Amendment and all documents, instruments, and agreements executed in connection herewith incorporate all of the discussions and negotiations between Borrower and Lender, either expressed or implied, concerning the matters included herein and in such other documents, instruments and agreements, any statute, custom, or usage to the contrary notwithstanding. No such discussions or negotiations shall limit, modify, or otherwise affect the provisions hereof. No modification, amendment, or waiver of any provision of this Amendment, or any provision of any other document, instrument, or agreement between Borrower and Lender shall be effective unless executed in writing by the party to be charged with such modification, amendment, or waiver, and if such party be Lender, then by a duly authorized officer thereof.

9. Illegality or Unenforceability. Any determination that any provision or application of this Amendment is invalid, illegal, or unenforceable in any respect, or in any instance, shall not affect the validity, legality, or enforceability of any such provision in any other instance, or the validity, legality, or enforceability of any other provision of this Amendment.

10. Consistent Changes; Conflicts. The Loan Documents are hereby amended wherever necessary to reflect the changes described above. To the extent any term or provision herein conflicts with any term or provision contained in any of the Loan Documents, the term or provision provided for herein shall control.

11. Continuing Validity. Except as expressly modified pursuant to this Amendment, the terms of the Loan Documents remain unchanged and in full force and effect. Nothing in this Amendment shall constitute a satisfaction of the Obligations. It is the intention of Lender and Borrower to retain as liable parties all makers and endorsers of Loan Documents, unless the party is expressly released by Lender in writing. No maker, endorser, or guarantor will be released by virtue of this Amendment. The terms of this Section 6 apply not only to this Amendment, but also to all subsequent loan modification agreements.

12. No Waiver. This Amendment is not applicable to any Event of Default under any Loan Document arising after the Effective Date or as a result of the transactions contemplated hereby.

13. Reservation of Rights. Lender hereby reserves all rights and remedies under the Loan Documents, at law, in equity or otherwise.

14. Successors and Assigns. This Amendment shall inure to the benefit of and be binding upon the heirs, successors, and permitted assigns of the parties.

---

15. Governing Law and Jurisdiction. This Amendment shall be construed and enforced in accordance with the terms of the laws of the State of New York without regard to its conflicts of laws principles. If any provision of this Amendment is not enforceable, the remaining provisions of the Amendment shall be enforced in accordance with their terms. Borrower, and Lender represent and warrant to each other that each is duly authorized to execute and deliver this Amendment on their respective behalves.

16. Counterparts. This Amendment may be executed in two or more counterparts each of which shall constitute an original and all of which shall, when taken together, constitute one and the same agreement, notwithstanding that all parties may not have signed all counterparts of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

ZSPACE, INC.

By: /s/ Paul Kellenberger
Name: Paul Kellenberger
Title: Chairman and CEO

FIZA INVESTMENTS LIMITED

By: /s/ Hamad Aljumairi
Name: Hamad Aljumairi
Title: Authorised Signatory

ANNEX A

PRINCIPAL AND ACCUMULATED INTEREST

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Cover [Abstract]	
Document Type	8-K
Amendment Flag	false
Document Period End Date	Apr. 10, 2025
Entity File Number	001-42431
Entity Registrant Name	zSpace, Inc.
Entity Central Index Key	0001637147
Entity Tax Identification Number	35-2284050
Entity Incorporation, State or Country Code	DE
Entity Address, Address Line One	55 Nicholson Lane
Entity Address, City or Town	San Jose
Entity Address, State or Province	CA
Entity Address, Postal Zip Code	95134
City Area Code	408
Local Phone Number	498-4050
Written Communications	false
Soliciting Material	false
Pre-commencement Tender Offer	false
Pre-commencement Issuer Tender Offer	false
Title of 12(b) Security	Common Stock, par value $0.00001 per share
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        "documentation": "This is focus fiscal year of the document report in YYYY format. For a 2006 annual report, which may also provide financial information from prior periods, fiscal 2006 should be given as the fiscal year focus. Example: 2006."
       }
      }
     },
     "auth_ref": []
    },
    "dei_DocumentPeriodEndDate": {
     "xbrltype": "dateItemType",
     "nsuri": "http://xbrl.sec.gov/dei/2025",
     "localname": "DocumentPeriodEndDate",
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 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Document Period End Date",
    "documentation": "For the EDGAR submission types of Form 8-K: the date of the report, the date of the earliest event reported; for the EDGAR submission types of Form N-1A: the filing date; for all other submission types: the end of the reporting or transition period. The format of the date is YYYY-MM-DD."
   }
  }
 },
 "auth_ref": []
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"dei_DocumentPeriodStartDate": {
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 "localname": "DocumentPeriodStartDate",
 "presentation": [
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 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Document Period Start Date",
    "documentation": "The start date of the period covered in the document, in YYYY-MM-DD format."
   }
  }
 },
 "auth_ref": []
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"dei_DocumentQuarterlyReport": {
 "xbrltype": "booleanItemType",
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 "localname": "DocumentQuarterlyReport",
 "presentation": [
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  "en-us": {
   "role": {
    "label": "Document Quarterly Report",
    "documentation": "Boolean flag that is true only for a form used as an quarterly report."
   }
  }
 },
 "auth_ref": [
  "r12"
 ]
},
"dei_DocumentRegistrationStatement": {
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 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "DocumentRegistrationStatement",
 "presentation": [
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 ],
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  "en-us": {
   "role": {
    "label": "Document Registration Statement",
    "documentation": "Boolean flag that is true only for a form used as a registration statement."
   }
  }
 },
 "auth_ref": [
  "r0"
 ]
},
"dei_DocumentShellCompanyEventDate": {
 "xbrltype": "dateItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "DocumentShellCompanyEventDate",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Document Shell Company Event Date",
    "documentation": "Date of event requiring a shell company report."
   }
  }
 },
 "auth_ref": [
  "r13"
 ]
},
"dei_DocumentShellCompanyReport": {
 "xbrltype": "booleanItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "DocumentShellCompanyReport",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Document Shell Company Report",
    "documentation": "Boolean flag that is true for a Shell Company Report pursuant to section 13 or 15(d) of the Exchange Act."
   }
  }
 },
 "auth_ref": [
  "r13"
 ]
},
"dei_DocumentTransitionReport": {
 "xbrltype": "booleanItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "DocumentTransitionReport",
 "presentation": [
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 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Document Transition Report",
    "documentation": "Boolean flag that is true only for a form used as a transition report."
   }
  }
 },
 "auth_ref": [
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 ]
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"dei_DocumentType": {
 "xbrltype": "submissionTypeItemType",
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 "localname": "DocumentType",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Document Type",
    "documentation": "The type of document being provided (such as 10-K, 10-Q, 485BPOS, etc). The document type is limited to the same value as the supporting SEC submission type, or the word 'Other'."
   }
  }
 },
 "auth_ref": []
},
"dei_DocumentsIncorporatedByReferenceTextBlock": {
 "xbrltype": "textBlockItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "DocumentsIncorporatedByReferenceTextBlock",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Documents Incorporated by Reference [Text Block]",
    "documentation": "Documents incorporated by reference."
   }
  }
 },
 "auth_ref": [
  "r3"
 ]
},
"dei_EntityAddressAddressLine1": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityAddressAddressLine1",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Address, Address Line One",
    "documentation": "Address Line 1 such as Attn, Building Name, Street Name"
   }
  }
 },
 "auth_ref": []
},
"dei_EntityAddressAddressLine2": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityAddressAddressLine2",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Address, Address Line Two",
    "documentation": "Address Line 2 such as Street or Suite number"
   }
  }
 },
 "auth_ref": []
},
"dei_EntityAddressAddressLine3": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityAddressAddressLine3",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Address, Address Line Three",
    "documentation": "Address Line 3 such as an Office Park"
   }
  }
 },
 "auth_ref": []
},
"dei_EntityAddressCityOrTown": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityAddressCityOrTown",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Address, City or Town",
    "documentation": "Name of the City or Town"
   }
  }
 },
 "auth_ref": []
},
"dei_EntityAddressCountry": {
 "xbrltype": "countryCodeItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityAddressCountry",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Address, Country",
    "documentation": "ISO 3166-1 alpha-2 country code."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityAddressPostalZipCode": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityAddressPostalZipCode",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Address, Postal Zip Code",
    "documentation": "Code for the postal or zip code"
   }
  }
 },
 "auth_ref": []
},
"dei_EntityAddressStateOrProvince": {
 "xbrltype": "stateOrProvinceItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityAddressStateOrProvince",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Address, State or Province",
    "documentation": "Name of the state or province."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityBankruptcyProceedingsReportingCurrent": {
 "xbrltype": "booleanItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityBankruptcyProceedingsReportingCurrent",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Bankruptcy Proceedings, Reporting Current",
    "documentation": "For registrants involved in bankruptcy proceedings during the preceding five years, the value Yes indicates that the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court; the value No indicates the registrant has not. Registrants not involved in bankruptcy proceedings during the preceding five years should not report this element."
   }
  }
 },
 "auth_ref": [
  "r6"
 ]
},
"dei_EntityCentralIndexKey": {
 "xbrltype": "centralIndexKeyItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityCentralIndexKey",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Central Index Key",
    "documentation": "A unique 10-digit SEC-issued value to identify entities that have filed disclosures with the SEC. It is commonly abbreviated as CIK."
   }
  }
 },
 "auth_ref": [
  "r2"
 ]
},
"dei_EntityCommonStockSharesOutstanding": {
 "xbrltype": "sharesItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityCommonStockSharesOutstanding",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Common Stock, Shares Outstanding",
    "documentation": "Indicate number of shares or other units outstanding of each of registrant's classes of capital or common stock or other ownership interests, if and as stated on cover of related periodic report. Where multiple classes or units exist define each class/interest by adding class of stock items such as Common Class A [Member], Common Class B [Member] or Partnership Interest [Member] onto the Instrument [Domain] of the Entity Listings, Instrument."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityCurrentReportingStatus": {
 "xbrltype": "yesNoItemType",
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 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityCurrentReportingStatus",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Current Reporting Status",
    "documentation": "Indicate 'Yes' or 'No' whether registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. This information should be based on the registrant's current or most recent filing containing the related disclosure."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityEmergingGrowthCompany": {
 "xbrltype": "booleanItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityEmergingGrowthCompany",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Emerging Growth Company",
    "documentation": "Indicate if registrant meets the emerging growth company criteria."
   }
  }
 },
 "auth_ref": [
  "r2"
 ]
},
"dei_EntityExTransitionPeriod": {
 "xbrltype": "booleanItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityExTransitionPeriod",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Elected Not To Use the Extended Transition Period",
    "documentation": "Indicate if an emerging growth company has elected not to use the extended transition period for complying with any new or revised financial accounting standards."
   }
  }
 },
 "auth_ref": [
  "r19"
 ]
},
"dei_EntityFileNumber": {
 "xbrltype": "fileNumberItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityFileNumber",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity File Number",
    "documentation": "Commission file number. The field allows up to 17 characters. The prefix may contain 1-3 digits, the sequence number may contain 1-8 digits, the optional suffix may contain 1-4 characters, and the fields are separated with a hyphen."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityFilerCategory": {
 "xbrltype": "filerCategoryItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityFilerCategory",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Filer Category",
    "documentation": "Indicate whether the registrant is one of the following: Large Accelerated Filer, Accelerated Filer, Non-accelerated Filer. Definitions of these categories are stated in Rule 12b-2 of the Exchange Act. This information should be based on the registrant's current or most recent filing containing the related disclosure."
   }
  }
 },
 "auth_ref": [
  "r2"
 ]
},
"dei_EntityIncorporationStateCountryCode": {
 "xbrltype": "edgarStateCountryItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityIncorporationStateCountryCode",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Incorporation, State or Country Code",
    "documentation": "Two-character EDGAR code representing the state or country of incorporation."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityInteractiveDataCurrent": {
 "xbrltype": "yesNoItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityInteractiveDataCurrent",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Interactive Data Current",
    "documentation": "Boolean flag that is true when the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files)."
   }
  }
 },
 "auth_ref": [
  "r16"
 ]
},
"dei_EntityPrimarySicNumber": {
 "xbrltype": "sicNumberItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityPrimarySicNumber",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Primary SIC Number",
    "documentation": "Primary Standard Industrial Classification (SIC) Number for the Entity."
   }
  }
 },
 "auth_ref": [
  "r14"
 ]
},
"dei_EntityPublicFloat": {
 "xbrltype": "monetaryItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityPublicFloat",
 "crdr": "credit",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Public Float",
    "documentation": "The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityRegistrantName": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityRegistrantName",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Registrant Name",
    "documentation": "The exact name of the entity filing the report as specified in its charter, which is required by forms filed with the SEC."
   }
  }
 },
 "auth_ref": [
  "r2"
 ]
},
"dei_EntityShellCompany": {
 "xbrltype": "booleanItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityShellCompany",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Shell Company",
    "documentation": "Boolean flag that is true when the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act."
   }
  }
 },
 "auth_ref": [
  "r2"
 ]
},
"dei_EntitySmallBusiness": {
 "xbrltype": "booleanItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntitySmallBusiness",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Small Business",
    "documentation": "Indicates that the company is a Smaller Reporting Company (SRC)."
   }
  }
 },
 "auth_ref": [
  "r2"
 ]
},
"dei_EntityTaxIdentificationNumber": {
 "xbrltype": "employerIdItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityTaxIdentificationNumber",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Tax Identification Number",
    "documentation": "The Tax Identification Number (TIN), also known as an Employer Identification Number (EIN), is a unique 9-digit value assigned by the IRS."
   }
  }
 },
 "auth_ref": [
  "r2"
 ]
},
"dei_EntityVoluntaryFilers": {
 "xbrltype": "yesNoItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityVoluntaryFilers",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Voluntary Filers",
    "documentation": "Indicate 'Yes' or 'No' if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act."
   }
  }
 },
 "auth_ref": []
},
"dei_EntityWellKnownSeasonedIssuer": {
 "xbrltype": "yesNoItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "EntityWellKnownSeasonedIssuer",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Entity Well-known Seasoned Issuer",
    "documentation": "Indicate 'Yes' or 'No' if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Is used on Form Type: 10-K, 10-Q, 8-K, 20-F, 6-K, 10-K/A, 10-Q/A, 20-F/A, 6-K/A, N-CSR, N-Q, N-1A."
   }
  }
 },
 "auth_ref": [
  "r17"
 ]
},
"dei_Extension": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "Extension",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Extension",
    "documentation": "Extension number for local phone number."
   }
  }
 },
 "auth_ref": []
},
"dei_LocalPhoneNumber": {
 "xbrltype": "normalizedStringItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "LocalPhoneNumber",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Local Phone Number",
    "documentation": "Local phone number for entity."
   }
  }
 },
 "auth_ref": []
},
"dei_NoTradingSymbolFlag": {
 "xbrltype": "trueItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "NoTradingSymbolFlag",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "No Trading Symbol Flag",
    "documentation": "Boolean flag that is true only for a security having no trading symbol."
   }
  }
 },
 "auth_ref": []
},
"dei_OtherReportingStandardItemNumber": {
 "xbrltype": "otherReportingStandardItemNumberItemType",
 "nsuri": "http://xbrl.sec.gov/dei/2025",
 "localname": "OtherReportingStandardItemNumber",
 "presentation": [
  "http://zspace.com/role/Cover"
 ],
 "lang": {
  "en-us": {
   "role": {
    "label": "Other Reporting Standard Item Number",
    "documentation": "\"Item 17\" or \"Item 18\" specified when the basis of accounting is neither US GAAP nor IFRS."
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```
      }
     }
    },
    "auth_ref": [
     "r13"
    ]
   },
   "dei_PreCommencementIssuerTenderOffer": {
    "xbrltype": "booleanItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "PreCommencementIssuerTenderOffer",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Pre-commencement Issuer Tender Offer",
       "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act."
      }
     }
    },
    "auth_ref": [
     "r7"
    ]
   },
   "dei_PreCommencementTenderOffer": {
    "xbrltype": "booleanItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "PreCommencementTenderOffer",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Pre-commencement Tender Offer",
       "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act."
      }
     }
    },
    "auth_ref": [
     "r9"
    ]
   },
   "dei_Security12bTitle": {
    "xbrltype": "securityTitleItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "Security12bTitle",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Title of 12(b) Security",
       "documentation": "Title of a 12(b) registered security."
      }
     }
    },
    "auth_ref": [
     "r1"
    ]
   },
   "dei_Security12gTitle": {
    "xbrltype": "securityTitleItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "Security12gTitle",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Title of 12(g) Security",
       "documentation": "Title of a 12(g) registered security."
      }
     }
    },
    "auth_ref": [
     "r5"
    ]
   },
   "dei_SecurityExchangeName": {
    "xbrltype": "edgarExchangeCodeItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "SecurityExchangeName",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Security Exchange Name",
       "documentation": "Name of the Exchange on which a security is registered."
      }
     }
    },
    "auth_ref": [
     "r4"
    ]
   },
   "dei_SecurityReportingObligation": {
    "xbrltype": "securityReportingObligationItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "SecurityReportingObligation",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Security Reporting Obligation",
       "documentation": "15(d), indicating whether the security has a reporting obligation under that section of the Exchange Act."
      }
     }
    },
    "auth_ref": [
     "r10"
    ]
   },
   "dei_SolicitingMaterial": {
    "xbrltype": "booleanItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "SolicitingMaterial",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Soliciting Material",
       "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as soliciting material pursuant to Rule 14a-12 under the Exchange Act."
      }
     }
    },
    "auth_ref": [
     "r8"
    ]
   },
   "dei_TradingSymbol": {
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    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "TradingSymbol",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Trading Symbol",
       "documentation": "Trading symbol of an instrument as listed on an exchange."
      }
     }
    },
    "auth_ref": []
   },
   "dei_WrittenCommunications": {
    "xbrltype": "booleanItemType",
    "nsuri": "http://xbrl.sec.gov/dei/2025",
    "localname": "WrittenCommunications",
    "presentation": [
     "http://zspace.com/role/Cover"
    ],
    "lang": {
     "en-us": {
      "role": {
       "label": "Written Communications",
       "documentation": "Boolean flag that is true when the Form 8-K filing is intended to satisfy the filing obligation of the registrant as written communications pursuant to Rule 425 under the Securities Act."
      }
     }
    },
    "auth_ref": [
     "r18"
    ]
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  }
 }
},
"std_ref": {
 "r0": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "12"
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 "r1": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "12",
  "Subsection": "b"
 },
 "r2": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "12",
  "Subsection": "b-2"
 },
 "r3": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "12",
  "Subsection": "b-23"
 },
 "r4": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "12",
  "Subsection": "d1-1"
 },
 "r5": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "12",
  "Subsection": "g"
 },
 "r6": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "12, 13, 15d"
 },
 "r7": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "13e",
  "Subsection": "4c"
 },
 "r8": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "14a",
  "Subsection": "12"
 },
 "r9": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "14d",
  "Subsection": "2b"
 },
 "r10": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Exchange Act",
  "Number": "240",
  "Section": "15",
  "Subsection": "d"
 },
 "r11": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Form 10-K",
  "Number": "249",
  "Section": "310"
 },
 "r12": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Form 10-Q",
  "Number": "240",
  "Section": "308",
  "Subsection": "a"
 },
 "r13": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Form 20-F",
  "Number": "249",
  "Section": "220",
  "Subsection": "f"
 },
 "r14": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Form 40-F",
  "Number": "249",
  "Section": "240",
  "Subsection": "f"
 },
 "r15": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Forms 10-K, 10-Q, 20-F",
  "Number": "240",
  "Section": "13",
  "Subsection": "a-1"
 },
 "r16": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Regulation S-T",
  "Number": "232",
  "Section": "405"
 },
 "r17": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Securities Act",
  "Number": "230",
  "Section": "405"
 },
 "r18": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Securities Act",
  "Number": "230",
  "Section": "425"
 },
 "r19": {
  "role": "http://www.xbrl.org/2003/role/presentationRef",
  "Publisher": "SEC",
  "Name": "Securities Act",
  "Number": "7A",
  "Section": "B",
  "Subsection": "2"
 }
}
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