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): **March 9, 2018**

Sport Endurance, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**333-161943**	**26-2754069**
(State or other Jurisdiction of Incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*

101 Hudson Street, 21st Floor **Jersey City, NJ**	**07302**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: **(646) 846-4280**

222 Broadway, 19th Floor, New York, NY 10038
(Former Name or Former Address, if Changed Since Last Report)

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

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

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

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

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

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

If an emerging growth company, indicate by checkmark 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.

On March 14, 2018 (the "Closing Date"), Yield Endurance, Inc., a New Jersey corporation ("Yield") and wholly-owned subsidiary of Sport Endurance, Inc., a Nevada corporation (the "Company") entered into a series of agreements providing Yield with bitcoin ("BTC") and the ability to enter into transactions with Madison Partners LLC as described below.

Under the terms of the agreements, Yield has entered into a Note Purchase Agreement (the "NPA") with Prism Funding Co. LP (the "Senior Lender") to borrow $5,000,000 of BTC, which loan has been guaranteed by the Company. Yield issued a 10% original issue discount Senior Secured Convertible Note (the "Senior Note") in the principal amount of $5,500,000 and received $5,000,000 of BTC valued as of the Closing Date. The Senior Note is payable 30 days following written demand from the Senior Lender (the "Maturity Date") and bears interest at a rate of 10% per annum. On the Maturity Date, the Company must repay the Senior Note, as follows: an amount equal to: (a) in the event that the value of BTC on the Maturity Date is less than the value of BTC on the Closing Date, the principal amount of this Senior Note, plus interest; (b) in the event that the value of BTC on the Maturity Date is greater than or equal to the value of BTC on the Closing Date, the principal amount of this Senior Note, plus interest, by return of the number of BTC delivered to Yield on the Closing Date, provided the total value shall equal or exceed all amounts due and owning under the Note.

As additional consideration, the Company issued to the Senior Lender 25,000,000 five-year warrants (the "Warrants") to purchase the Company's common stock, exercisable at $0.01 per share.

Yield also entered into a Confidential BTC Lending Program Participation Agreement (the "Bitcoin Agreement") with Madison Partners LLC ("Madison") under which Madison will lend Yield's BTC to third parties. Under the Bitcoin Agreement, Madison will pay Yield an amount equal to the following: (a) 10% of the income from BTC lending plus (b) 50% of the income in excess of 10% on all BTC loans made by Madison using Yield's BTC. In the event that the Senior Note becomes due and payable, Madison agrees to take steps to re-deliver the BTC to Yield prior to the Maturity Date, or alternatively, deliver cash equal to the value of the BTC on the date of notice of termination of the Bitcoin Agreement. In connection with the NPA, Yield also entered into an Account Control Agreement (the "Control Agreement"). As further described under Item 2.03 below, the Company and Yield also entered into a Subordination Agreement with the Junior Lender, as defined.

The Senior Lender and Madison are under common control and affiliates hold general and limited partnership interests in the Junior Lender and its general partner as more fully described in Item 2.03 below.

The foregoing descriptions of the Senior Note, the Warrants, the Note Purchase Agreement, the Guaranty, the Bitcoin Agreement, the Control Agreement, and the Subordination Agreement, (collectively, the "Transaction Documents") do not purport to be complete and are qualified in their entirety by the terms and conditions of the Transaction Documents attached hereto as Exhibit 4.1, 4.2, 10.1, 10.2, 10.3, 10.4 and 10.5, respectively, and are incorporated herein by reference.

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

On March 9, 2018 (the "Effective Date"), the Company entered into a Securities Purchase Agreement (the "SPA") with an investor (the "Junior Lender") pursuant to which the Company issued and sold a Senior Secured Convertible Note (the "Note") to the Junior Lender in the principal amount of $777,202 with an original issue discount of 3.5%, and received gross proceeds of $750,000. The Note matures on December 9, 2018 (the "Note Maturity Date") and bears interest at a rate of 10% per annum. On the Note Maturity Date, the Company must repay an amount equal to 120% of the outstanding principal and accrued interest. Beginning on the Effective Date, the Junior Lender may elect to convert the Note into common stock of the Company at a price of $0.01 per share, subject to adjustment (the "Conversion Price"). In addition, the Note is redeemable by the Company for 90 days following the Effective Date at an amount equal to 120% of the Note's outstanding principal and accrued interest, and thereafter at an amount equal to 130% of the Note's outstanding principal and accrued interest, subject in either case to upward adjustment to the extent the closing price of the Company's common stock on the OTCQB, or other principal market, exceeds the Conversion Price. As additional consideration, the Company issued the Junior Lender a total of 1,554,405 five-year warrants (the "Note Warrants") to purchase the Company's common stock, which are exercisable at $0.01 per share. The Junior Lender previously loaned the Company $241,250 evidenced by a $250,000 3.5% original discount convertible note due December 9, 2018. See Form 8-K filed February 21, 2018. The conversion price of that convertible note and the exercise price of the Warrants have been reduced to $0.01 per share as the result of the Warrants issued to the Senior Lender.

The Junior Lender is a Delaware limited partnership (the "Partnership"). Its general partner is a Delaware limited liability company (the "LLC"). The Senior Lender and Madison are under common control. Affiliates of the Senior Lender and Madison own a material minority interest in the LLC and one affiliate owns a significant majority interest in the Partnership.

In connection with the issuance of the Senior Note, Yield and the Company entered into a Subordination Agreement (the "Subordination Agreement") with the Junior Lender. The Subordination Agreement provides that payment of the existing and future debt of the Company held by the Junior Lender shall be subordinate to the Senior Note.

Information concerning the Senior Note is incorporated by reference from Item. 1.01.

The foregoing descriptions of the Note, the Note Warrants, and the SPA (collectively, the "Transaction Documents") do not purport to be complete and are qualified in their entirety by the terms and conditions of the Transaction Documents. A copy of each of the form of the Note, the Note Warrants, and the SPA is attached hereto as Exhibit 4.3, 4.4, and 10.6 respectively, and are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The disclosure included under Item 1.01 and Item 2.03, above, are incorporated by reference herein. The Senior Note, the Warrants, the Note, the Note Warrants and the shares of common stock issuable upon exercise of the Warrants and Note Warrants (the "Shares") have not been registered under the Securities Act of 1933 (the "Securities Act") and were issued and sold in reliance upon the exemption from registration contained in Section 4(a)(2) of the Securities Act and Rule 506(b) promulgated thereunder. The Senior Lender and Junior Lender acquired the securities for investment and each acknowledged that it is an accredited investor as defined by Rule 501 under the Securities Act. The Senior Note, the Warrants, the Note, the Note Warrants and the shares of common stock issuable thereunder may not be offered or sold in the absence of an effective registration statement or exemption from the registration requirements under the Securities Act.

Item 8.01 Other Events.

Investors should review the Risk factors relating to the transactions described in this Current Report on Form 8-K, the cryptocurrency and blockchain businesses and the Company and its common stock which follow below. The risk factors supplement and update the risk factors disclosure contained in our Annual Report on Form 10-K for the fiscal year ended August 31, 2017, filed with the Securities and Exchange Commission on November 20, 2017.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following Risk Factors before deciding whether to invest in our Company. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations or our financial condition. If any of the events discussed in the Risk Factors below occur, our business, consolidated financial condition, results of operations or prospects could be materially and adversely affected. In such case, the value and marketability of the common stock could decline.

You should recognize that we have been unable to generate material revenues from our legacy business. As a result, we made a decision to enter the blockchain and cryptocurrency business, a business which is subject to special risks described below.

Risks Relating to Our Financial Condition

If we cannot complete a financing in the near future, we will be required to cease operations.

We incurred a net loss of $1,743,258 during the year ended August 31, 2017. The Company has a history of incurring losses. The Company incurred net losses of approximately $1,743,258 and $933,761 in 2017 and 2016, respectively. As of March 9, 2018, we have approximately $1 million of cash available, and we have negative working capital. Assuming that the Senior Lender does not demand payment of the Senior Note and the holder of our outstanding convertible notes, extend the notes or convert them, we expect that we can manage our accounts payable and sustain operations for at least 12 months. To remain operational beyond that time, we must complete a financing. Because small companies like ours generally face more obstacles in obtaining financing, we cannot assure you that we will be successful in raising additional capital if needed. For the past two years, we have principally relied upon one institutional investor (the "Junior Lender"), which has lent us money and acquired convertible notes from other investors. We cannot assure you that the Junior Lender will continue to provide us with future loans or another form of financing. In this regard, in order for Yield to borrow the $5,000,000 of Bitcoin, the Junior Lender had to subordinate its rights to payment and its first priority lien on our assets to the Senior Lender's rights under the Senior Note.

Our ability to continue as a going concern is in doubt unless we obtain adequate new debt or equity financing and generate sufficient revenues.

As noted above, we have incurred significant net losses to date. We anticipate that we will continue to lose money for the foreseeable future. Additionally, we have negative cash flows from operations and negative working capital. We have incurred significant risk in borrowing the Bitcoin and cannot predict whether the Madison transaction will generate substantial revenues to fund working capital or pay the principal and interest under the Senior Note.

Because of the structure of the Senior Note transaction and our delivery of the Bitcoin under the Bitcoin Agreement, we may be unable to pay the Senior Note if payment is demanded in which event we would cease operations.

The Senior Note and the Bitcoin Agreement have the following key terms:

- Yield borrowed $5 million of Bitcoin;
- On 30 days' notice, Yield is required to pay $5.5 million in cash or Bitcoin plus 10% per annum interest;
- We guaranteed the Senior Note;
- Madison intends to lend the Bitcoin to short sellers (the "Borrowers") in exchange for fees;
- Madison has agreed to use its best efforts to cause the Borrowers to deposit cash collateral into a segregated or escrow-type account, designed to shield it from Madison's creditors other than Yield and the Borrowers from Madison;
- The cash collateral amount will be equal to 100% of the value of Bitcoin as of the time of Madison's loan; and
- The Company retains the right to veto any loans made by Madison to the Borrowers.

The Senior Lender is most likely to demand payment of the Senior Note if the price of Bitcoin falls. Under those circumstances the Company will be unable to pay the Senior Note even if it can access the cash collateral. In addition, if Madison encounters financial difficulties, its creditors or creditors of the Borrowers may seek access to the cash in the segregated account. Any litigation even if we are successful could be resolved after Yield has defaulted under the Senior Note. Further, a bankruptcy proceeding is likely to delay Yield from accessing the cash. Under any of the above circumstances, we would likely be unable to pay the Senior Note and would cease operations.

Risk of Future Cryptocurrency Legislation and Regulation

Because of sharp run ups in the price of Bitcoin and other cryptocurrencies and the recent declines as well as a number of fraudulent and other wrongful campaigns affecting cryptocurrency, the Securities and Exchange Commission (the "SEC"), other federal regulators and state regulators, and foreign authorities have recently increased their focus on cryptocurrency issuances and trading and it is likely that there will be future legislation and additional rule, which may adversely affect the business of the Company.

In public speeches, the Chairmen of the SEC has focused substantial attention and concerns related to the issuance and trading of cryptocurrency. The SEC has also filed lawsuits, suspended trading of cryptocurrency companies, taken administrative action to stop an initial coin offering ("ICO") and is reportedly issuing subpoenas relating to promotion of ICOs. This heightened focus seems to be driven by investor concerns particularly with regard to so–called "main street" investors. Until recently, little or no regulatory attention has been directed toward Bitcoin, other cryptocurrency and the markets where they trade by U.S. federal and state governments, foreign governments and self-regulatory agencies. As Bitcoin and other cryptocurrency have grown in popularity and in market size and with the extreme volatility, the SEC has questioned whether ICOs and cryptocurrencies are securities. Based on enforcement actions brought by the SEC and speeches by its Chairman, it seems likely that the SEC will find ICOs are, in all cases, to be securities applying the facts and circumstances approach. The Company does not intend to acquire ICOs.

On July 25, 2017, the SEC issued its Report which concluded that cryptocurrency or tokens issued for the purpose of raising funds may be securities within the meaning of the federal securities laws. The Report focused on the activities of a virtual organization which offered tokens in exchange for ether which is the second largest reported cryptocurrency. The Report emphasized that whether a cryptocurrency is a security is based on the facts and circumstances. Although the Company's activities are not focused on using cryptocurrency to raise capital or assisting others that do so, the federal securities laws are very broad, and there can be no assurances that the SEC will not take enforcement action against the Company in the future including for the sale of unregistered securities in violation of the Securities Act or acting as an unregistered investment company in violation of the 1940 Act. The SEC has taken various actions against persons or entities misusing Bitcoin in connection with fraudulent schemes (i.e., Ponzi scheme), inaccurate and inadequate publicly disseminated information, and the offering of unregistered securities. More recently, the SEC suspended trading of a number of cryptocurrency public companies. To the extent Bitcoin is determined to be a security or to the extent that a US or foreign government or quasi-governmental agency exerts regulatory authority over the trading and ownership, trading or ownership in Bitcoin, an investment in us may be adversely affected. Very recently there has been much discussion concerning the need for legislation and underlying regulation to address these concerns.

A similar message is being expressed overseas by regulators. While the Company cannot predict what kind of legislation and regulation may be enacted in the future, it is possible that any such legislation and regulation may adversely affect the Company which could cause our stock price to fall sharply.

If regulatory changes or interpretations require the regulation of cryptocurrency under the Securities Act of 1933 (the "Securities Act")and the Company under the Investment Company Act of 1940 (the "1940 Act") by the SEC, we may be required to register and comply with such regulations, which may result in extraordinary, non-recurring expenses to us.

Current and future legislation, SEC rulemaking and other regulatory developments, including interpretations released by a regulatory authority, may impact the manner in which cryptocurrency is treated for classification and clearing purposes. The SEC's July 25, 2017 Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934: The DAO (the "Report") expressed its view that cryptocurrency may be securities depending on the facts and circumstances. We are not aware of any rules that have been proposed to regulate cryptocurrency as securities. We cannot be certain as to how future regulatory developments will impact the treatment of cryptocurrency under the law. Such additional registrations may result in extraordinary, non-recurring expenses, thereby materially and adversely impacting an investment in us. If we determine not to comply with such additional regulatory and registration requirements, we may seek to cease certain of our operations. Any such action may adversely affect an investment in us.

To the extent that cryptocurrency including Bitcoin and any other cryptocurrency we may acquire are deemed by the SEC to fall within the definition of a security, we may be required to register and comply with additional regulation under the 1940 Act, including additional periodic reporting and disclosure standards and requirements and the registration of our Company as an investment company. In addition, as our percentage ownership of securities increases, the volatility of cryptocurrencies we own may cause us to inadvertently cross this 40% threshold. While we would have one-year to cure a violation which can only occur once in a three-year period.

Additionally, one or more states may conclude Bitcoin or other cryptocurrency we may own are a security under state securities laws which would require registration under state laws including merit review laws which would adversely impact us since we would likely not comply. Some states including California define the term "investment contract" more strictly than the SEC. Such additional registrations may result in extraordinary, non-recurring expenses of our Company, thereby materially and adversely impacting an investment in our Company. If we determine not to comply with such additional regulatory and registration requirements, we may seek to cease all or certain parts of our operations. Any such action would likely adversely affect an investment in us and investors may suffer a complete loss of their investment.

If cryptocurrencies such as Bitcoin are found to be securities, our business model may not be successful.

Bitcoin is the oldest and most well-known form of cryptocurrency. Bitcoin and other forms of cryptocurrencies have been the source of much regulatory consternation, resulting in differing definitional outcomes without a single unifying statement. When the interests of investor protection are paramount, for example in the offer or sale of ICO tokens, the SEC has no difficulty concluding that the token offerings are securities under the "Howey" test as stated by the United States Supreme Court. As such, ICO offerings would require registration under the Securities Act or an available exemption therefrom for offers or sales in the United States to be lawful. Section 5 of the Securities Act provides that, unless a registration statement is in effect as to a security or it is exempt, it is unlawful for any person, directly or indirectly, to engage in the offer or sale of securities. To date, we are not aware of any court that has considered whether or not any forms of cryptocurrency are involved in the offer and sale of a security. In contrast, the SEC's Chairman has stated that all ICOs of which he is aware involve the sale of a security. In any event, our counsel has advised us that it does not believe that Bitcoin is a security. Although we do not believe our activities require registration for us to conduct such activities, the SEC or a state, state securities regulator may challenge our position, and we may face regulation under the Securities Act or the 1940 Act. Such regulation or the inability to meet the requirements to continue operations, would have a material adverse effect on our business and operations.

If Bitcoin were held to be a security, we may be exposed to liabilities to the SEC and parties which borrow such Bitcoin from us. We may face similar issues with various state securities regulators who may interpret our actions as requiring registration under state securities laws.

If we acquire cryptocurrencies which are securities, even unintentionally, we may violate the 1940 Act and incur potential third-party liabilities.

The Company presently only owns Bitcoin, although subject to available capital it may acquire other cryptocurrencies in the future. The Company intends to comply with the 1940 Act in all respects. To that end, if the Company acquires cryptocurrencies which are determined to constitute investment securities of a kind that subject the Company to registration and reporting under the 1940 Act, the Company will limit its holdings of securities to less than 40% of its assets (excluding cash). Section 3(a)(1)(C) of the 1940 Act defines "investment company" to mean any issuer that is engaged in the business of investing in securities, having a value exceeding 40% of the value of such issuer's total assets (exclusive of cash). If we violate this 40% limit, we will have one-year to cure by getting our investment securities below the 40% test. However, we may only do this every three years. What complicates this is (i) we may inadvertently surpass the 40% limit due to a spike in the price of a security we own or (ii) a court or the SEC administratively may rule that cryptocurrencies we own are securities. If we ever are required to register as an investment company, we may be required to cease operations.

If Madison or any other Borrowers engages in activity as on online trading platform or exchange and trade cryptocurrencies that are securities, there is a risk that the SEC will take an action to shut down the exchange which could result in a material adverse effect upon our relationship with Madison and our financial condition.

On March 7, 2018, the SEC staff issued a statement entitled "Statement on Potentially Unlawful Online Platforms for Trading Digital Assets." The impact of the Statement is that online platforms or exchanges which trade cryptocurrencies that are securities and are not registered with the SEC as national securities exchanges violate the Exchange Act. We do not know what Madison's other activities are nor do we have the ability to learn what the activities of its Borrowers are. If any of these parties operate platforms that for the trading of cryptocurrencies which are securities in contrast to Bitcoin, the SEC could bring an action to halt the trading which could have a material adverse effect upon our relationship with Madison and our financial condition. Among other things, we may be unable to access the Bitcoin or cash in the segregated account and the price of the Bitcoin may fall. Further, see the risk factors at pages 2-4 relating to the possibility that the SEC or a private litigant could claim that Bitcoin is a security.

If regulatory changes or actions occur, it may restrict the use of cryptocurrency in a manner that adversely affects an investment in us.

Local state regulators such as the New York State Department of Financial Services (the "NYSDFS") have also initiated examinations of Bitcoin, the Bitcoin Network and the regulation thereof. In 2015 the NYSDFS issued its final BitLicense regulatory framework. The BitLicense regulates the conduct of businesses that are involved in "virtual currencies" in New York or with New York customers and prohibits any person or entity involved in such activity to conduct activities without a license. For that reason, the Company ceased doing business in New York and it and Yield, a New Jersey corporation, opened a New Jersey office. If New Jersey or Illinois where Madison is based adopt similar laws or regulations, we (or Madison) may be required to cease operating in a state where the regulatory scheme prohibits our business or make compliance too burdensome or expensive. As more states regulate cryptocurrency investing and trading, we may be required to cease operation.

Bitcoin currently faces an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions such as the European Union, China, South Korea and Russia.

The effect of any future regulatory change on us, Bitcoin, or other cryptocurrency is impossible to predict, but such change could be substantial and adverse to us and could adversely affect an investment in us.

If our business activities require us to register as a money services business or money transmitter under regulations promulgated by the Financial Crimes Enforcement Network ("FinCEN") under the U.S. Bank Secrecy Act or any state law, the Company may cease its business operations.

The Company is engaged in a business relationship with Madison which lends Bitcoin to third parties. Although the Company does not believe this business activity categorizes it as a money services business ("MSB") or a money transmitter ("MT") under regulations promulgated by FinCEN under the Bank Secrecy Act or any state law, changing regulations or regulatory interpretations of its business activities may require it to register and comply with such regulations, which mandate the implementation of anti-money laundering programs, reporting to FinCEN or a state regulatory authority, and maintenance of certain records. In the event of any such requirements, to the extent the Company decides to continue, the required registrations, licensure and regulatory compliance steps may result in extraordinary, recurring expenses to the Company. Additionally, in the event that companies that we do business with are not properly registered our business will be adversely affected and we may be liable for being an unlicensed MSB or MT. In this regard, Madison is registered as an MSB.

To the extent that the activities of the Company cause it to be deemed a MSB or MT or equivalent designation, the Company may be required to seek a license or otherwise register with the U.S. Department of Treasury or a state regulator and comply with state regulations that may require the implementation of anti-money laundering programs, maintenance of certain records and other operational requirements. In addition to New York's BitLicense framework for businesses that conduct "virtual currency business activity," the Conference of State Bank Supervisors has proposed a model form of state level "virtual currency" regulation and additional state regulators including those from California, Idaho, Virginia, Kansas, Texas, South Dakota and Washington have made public statements indicating that virtual currency businesses may be required to seek licenses as MSBs or MTs. In July 2016, North Carolina updated the law to define "virtual currency" and the activities that trigger licensure in a business-friendly approach that encourages companies to use virtual currency and blockchain technology. Specifically, the North Carolina law does not require miners or software providers to obtain a license for multi-signature software, smart contract platforms, smart property, colored coins and non-hosted, non-custodial wallets. Starting January 1, 2016, New Hampshire requires anyone who exchanges a digital currency for another currency must become a licensed and bonded MT. Washington recently passed legislation requiring that virtual currency exchanges be registered as MSBs or MTs, that virtual currency exchanges agree to third-party security audits of their transmission systems, and that they post surety bonds to cover the cost of certain customer claims. In numerous other states, including Connecticut and New Jersey, legislation is being proposed or has been introduced regarding the treatment of Bitcoin and other cryptocurrency. The Company will continue to monitor for developments in such legislation, guidance or regulations.

Regulators in Missouri and New York have brought cases against businesses or individuals for operating unlicensed MSBs or MTs relating to the transmission of virtual currency. Additionally, federal regulators have investigated and prosecuted cases in Ohio and Michigan relating to unlicensed MSBs or MTs. FinCEN recently announced that mining and investing in virtual currency for personal use does not constitute activity requiring a MSB or MT license.

If we are deemed to be a MSB or MT, the Company may decide to cease operations or may not be capable of complying with certain federal or state regulatory obligations applicable to MSBs and MTs. Any termination of Company operations in response to changed regulatory circumstances or interpretations at the federal or state levels will adversely affect our business and your investment in the Company.

It may be illegal now, or in the future, to acquire, own, hold, sell or use cryptocurrency in one or more countries, and ownership of, holding or trading in our securities may also be considered illegal and subject to sanction.

Although cryptocurrency is currently not regulated or is lightly regulated in most countries, including the United States, one or more countries such as China, South Korea or Russia may take regulatory actions in the future that severely restricts the right to acquire, own, hold, sell or use cryptocurrency or to exchange cryptocurrency for fiat currency. Such an action may also result in the restriction of ownership, holding or trading in our securities. Such restrictions may adversely affect an investment in us, if we elect to do business outside of the United States.

If federal or state legislatures or agencies initiate or release tax determinations that change the classification of cryptocurrency as property for tax purposes (in the context of when such Bitcoin are held as an investment), such determination could have a negative tax consequence on our Company or our shareholders.

Current Internal Revenue Service ("IRS") guidance indicates that cryptocurrency such as Bitcoin should be treated and taxed as property, and that transactions involving the payment of Bitcoin for goods and services should be treated as barter transactions. While this treatment creates a potential tax reporting requirement for any circumstance where the ownership of the cryptocurrency passes from one person to another, usually by means of cryptocurrency transactions (including off-blockchain transactions), it preserves the right to apply capital gains treatment to those transactions.

On December 5, 2014, the New York State Department of Taxation and Finance issued guidance regarding the application of state tax law to cryptocurrency such as Bitcoin. The agency determined that New York State would follow the IRS guidance with respect to the treatment of cryptocurrency such as Bitcoin for state income tax purposes. Furthermore, they defined cryptocurrency such as Bitcoin to be a form of "intangible property," meaning the purchase and sale of Bitcoin for fiat currency is not subject to state income tax (although transactions of Bitcoin for other goods and services may be subject to sales tax under barter transaction treatment). It is unclear if other states will follow the guidance of the IRS and the New York State Department of Taxation and Finance with respect to the treatment of cryptocurrency such as Bitcoin for income tax and sales tax purposes. If a state adopts a different treatment, such treatment may have negative consequences including the imposition of a greater tax burden on investors in Bitcoin or imposing a greater cost on the acquisition and disposition of Bitcoin, generally; in either case potentially having a negative effect on prices in the cryptocurrency exchange market and may adversely affect an investment in our Company.

Foreign jurisdictions may also elect to treat cryptocurrency such as Bitcoin differently for tax purposes than the IRS or the New York State Department of Taxation and Finance. To the extent that a foreign jurisdiction with a significant share of the market of Bitcoin users imposes onerous tax burdens on Bitcoin users, or imposes sales or value added tax on purchases and sales of Bitcoin for fiat currency, such actions could result in decreased demand for Bitcoin in such jurisdiction, which could impact the price of Bitcoin or other cryptocurrency and negatively impact an investment in our Company.

Since there has been limited precedence set for financial accounting or taxation of cryptocurrency it is unclear how we will be required to account for digital asset transactions and the taxation of our businesses.

There is currently no authoritative literature under accounting principles generally accepted in the United States which specifically addresses the accounting for cryptocurrency. Therefore, by analogy, we intend to record cryptocurrency similar to financial instruments under ASC 825, Financial Instruments, because the economic nature of these cryptocurrency is most closely related to a financial instrument such as an investment in a foreign currency.

In 2014, the IRS issued guidance in Notice 2014-21 that classified cryptocurrency as property, not currency, for federal income tax purposes. But according to the requirements of the Fair Trade and Accurate Credit Transactions Act, which requires foreign financial institutions to provide the IRS with information about accounts held by U.S. taxpayers or foreign entities controlled by U.S. taxpayers, cryptocurrency exchanges, in the ordinary course of doing business, are considered financial institutions.

On November 30, 2016, a federal judge in the Northern District of California granted an IRS application to serve a "John Doe" summons on Coinbase Inc., which operates a cryptocurrency wallet and exchange business. The summons asked Coinbase to identify all U.S. customers who transferred convertible cryptocurrency from 2013 to 2015. The IRS is trying to get cryptocurrency owners to report the value of their wallets to the federal government and the IRS is treating cryptocurrency as both property and currency.

We believe that all of our cryptocurrency activities will be accounted for on the same basis regardless of the form of cryptocurrency. A change in regulatory or financial accounting standards or interpretation by the IRS or accounting standards or the SEC could result in changes in our accounting treatment, taxation and the necessity to restate our financial statements. Such a restatement could negatively impact our business, prospects, financial condition and results of operation. Further, actions by the IRS or other regulators which impinge on the anonymity of cryptocurrency may adversely affect our future business and prospects and reduce the value of our cryptocurrency.

Risks Related to Cryptocurrency

The further development and acceptance of cryptocurrency networks and other cryptocurrency, which represent a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of cryptocurrency systems may adversely affect an investment in us.

Cryptocurrency such as Bitcoin, that may be used, among other things, to buy and sell goods and services are a new and rapidly evolving industry of which the cryptocurrency networks are prominent, but not unique, parts. The growth of the cryptocurrency industry in general, and the cryptocurrency networks of Bitcoin in particular, are subject to a high degree of uncertainty. There is no assurance that a person who accepts a digital currency as payment today will continue to do so in the future. The factors affecting the further development of the cryptocurrency industry, as well as the cryptocurrency networks, include:

- continued worldwide growth in the adoption and use of Bitcoin and other cryptocurrency;
- government and quasi-government regulation of Bitcoin and other cryptocurrency and their use, or restrictions on or regulation of access to and operation of the cryptocurrency network or similar cryptocurrency systems;
- the maintenance and development of the open-source software protocol of the Bitcoin network;
- changes in consumer demographics and public tastes and preferences;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies;
- general economic conditions and the regulatory environment relating to cryptocurrency; and
- the impact of regulators focusing on cryptocurrency and digital securities and the costs associated with such regulatory oversight.

A decline in the popularity or acceptance of the cryptocurrency networks of Bitcoin or similar cryptocurrency systems, could adversely affect an investment in us.

Because, there is relatively small use of cryptocurrency in the retail and commercial marketplace in comparison to relatively large use by speculators, it may contribute to price volatility that could adversely affect an investment in us.

As relatively new products and technologies, cryptocurrency and the blockchain networks on which they exist have only recently become widely accepted as a means of payment for goods and services by some major retail and commercial outlets, and use of cryptocurrency by consumers to pay such retail and commercial outlets remains limited. Conversely, a significant portion of demand for cryptocurrency is generated by speculators and investors seeking to profit from the short- or long-term holding of such cryptocurrency. A lack of expansion of cryptocurrency into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the price of all or any cryptocurrency, either of which could adversely impact an investment in us.

If significant contributors to the Bitcoin network could propose amendments to the network's protocols and software and the amendments are accepted and authorized by such network, it could adversely affect an investment in us.

With respect to the Bitcoin network, a small group of individuals contribute to the Bitcoin Core project. These individuals can propose refinements or improvements to the Bitcoin network's source code through one or more software upgrades that alter the protocols and software that govern the Bitcoin network and the properties of Bitcoin, including the irreversibility of transactions and limitations on the mining of new Bitcoin. To the extent that a significant majority of the users and miners on the Bitcoin network install such software upgrade(s), the Bitcoin network would be subject to new protocols and software that may adversely affect an investment in us. In the event a developer or group of developers proposes a modification to the Bitcoin network that is not accepted by a majority of miners and users, but that is nonetheless accepted by a substantial plurality of miners and users, two or more competing and incompatible blockchain implementations could result. This is known as a "hard fork" which could materially and adversely affect the perceived value of Bitcoin as reflected on one or both incompatible blockchains, which may adversely affect an investment in us. The same risk applies if we diversify our business in the future and make investments in the blockchain and cryptocurrency business. Other generic Bitcoin-type risks apply if we diversify our investment portfolio.

Forks in the Bitcoin network may occur in the future which may affect the value of Bitcoin held by us.

On August 1, 2017 Bitcoin's blockchain was forked and Bitcoin Cash was created. The fork resulted in a new blockchain being created with a shared history, and a new path forward. Bitcoin Cash has a block size of 8mb and other technical changes. On October 24, 2017, Bitcoin's blockchain was forked and Bitcoin Gold was created. The fork resulted in a new blockchain being created with a shared history, and new path forward, Bitcoin Gold has a different proof of work algorithm and other technical changes. The value of the newly created Bitcoin Cash and Bitcoin Gold may or may not have value in the long run and may affect the price of Bitcoin if interest is shifted away from Bitcoin to the newly created cryptocurrency. If a fork occurs on a Bitcoin network, it may have a negative effect on the value of the Bitcoin and may adversely affect an investment in us.

Because of our involvement in the blockchain and cryptocurrency business, it is more likely that we may be the target of security breaches, computer viruses and computer hacking attacks, which in turn may harm our business and results of operations.

Security breaches, computer malware and computer hacking attacks have become more prevalent in our industry and may occur on our systems in the future. This risk is accentuated because hackers may be more inclined to hack us in anticipation of stealing our cryptocurrency. Any security breach caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses could harm our business, financial condition and operating results. Though it is difficult to determine what harm may directly result from any specific interruption or breach, any failure to maintain performance, reliability, security and availability of our network infrastructure to the satisfaction of our users may harm our reputation and our ability to retain existing users and attract new users.

Because the Bitcoin exchanges on which Bitcoin trade are relatively new and, in most cases, largely unregulated, they may be more exposed to fraud and failure than established, regulated exchanges for other products.

The Bitcoin exchanges on which Bitcoin trade are new and, in most cases, largely unregulated. Furthermore, many Bitcoin exchanges (including several of the most prominent United States dollar denominated Bitcoin exchanges) do not provide the public with significant information regarding their ownership structure, management teams, corporate practices or regulatory compliance. As a result, the marketplace may lose confidence in, or may experience problems relating to, Bitcoin exchanges, including prominent exchanges handling a significant portion of the volume of Bitcoin trading.

For example, over the past several years, a number of Bitcoin exchanges have been closed due to fraud, failure or security breaches. In many of these instances, the customers of such Bitcoin exchanges were not compensated or made whole for the partial or complete losses of their account balances in such Bitcoin exchanges. While smaller Bitcoin exchanges are less likely to have the infrastructure and capitalization that make larger Bitcoin exchanges more stable, larger Bitcoin exchanges are more likely to be appealing targets for hacker and "malware" (i.e., software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems). In January 2018, it was reported that $530 million of cryptocurrency were missing from a Japanese exchange. Further, the collapse of the largest Bitcoin exchange in 2014 suggests that the failure of one component of the overall Bitcoin ecosystem can have consequences for both users of a Bitcoin exchange and the Bitcoin industry as a whole.

A lack of stability in the Bitcoin exchange market and the closure or temporary shutdown of Bitcoin exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Bitcoin networks and result in greater volatility in Bitcoin values. These potential consequences of a Bitcoin exchange's failure could adversely affect an investment in us.

If political or economic crises motivate large-scale sales of cryptocurrency, it could result in a reduction in some or all cryptocurrency' values and adversely affect an investment in us.

As an alternative to fiat currencies that are backed by central governments, cryptocurrency such as Bitcoin, which are relatively new, are subject to supply and demand forces based upon the desirability of an alternative, decentralized means of buying and selling goods and services, and it is unclear how such supply and demand will be impacted by geopolitical events. Nevertheless, political or economic crises may motivate large-scale acquisitions or sales of cryptocurrency either globally or locally. Large-scale sales of cryptocurrency would result in a reduction in their value and could adversely affect an investment in us. The recent dramatic drop in the value of Bitcoin and other cryptocurrency seems likely to have resulted from substantially selling and possibly small investor panic.

Because demand for Bitcoin is driven, in part, by its status as the most prominent and secure cryptocurrency, it is possible that cryptocurrency other than Bitcoin could have features that make them more desirable to a material portion of the cryptocurrency user base this could result in a reduction in demand for Bitcoin, which could have a negative impact on the price of Bitcoin and adversely affect an investment in us.

Bitcoin holds a "first-to-market" advantage over other cryptocurrency. This first-to-market advantage is driven in large part by having the largest user base and, more importantly, the largest combined mining power in use to secure their respective blockchains and transaction verification systems. Having a large mining network results in greater user confidence regarding the security and long-term stability of a Bitcoin's network and its blockchain; as a result, the advantage of more users and miners makes a Bitcoin more secure, which makes it more attractive to new users and miners, resulting in a network effect that strengthens the first-to-market advantage.

As of February 21, 2018, there were over 1,500 alternate cryptocurrency tracked by CoinMarketCap, having a total market capitalization (including the market capitalization of Bitcoin) of approximately $475 billion, using market prices and total available supply of Bitcoin. Despite the marked first-mover advantage of the Bitcoin network over other cryptocurrency networks, it is possible that another cryptocurrency could become materially popular. If a cryptocurrency obtains significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce Bitcoin's market share as well as other cryptocurrency we may become involved in and have a negative impact on the demand for, and price of, such cryptocurrency and could adversely affect an investment in us.

To the extent that we own cryptocurrencies, we are subject to a risk that we will lose the private key necessary to convert it to cash or sell it, or the private key will be hacked.

We own cryptocurrency and expect that we will continue to do so. A private key, which is a complex numeric password is necessary to convert cryptocurrency to cash or sell it. While we have established procedures to safeguard our private key, if our procedures are insufficient or if we are hacked, we will irrevocably lose the value of our cryptocurrency. If a foreign third party has already gained access to our system while using our private key the third party may be able to access and manipulate our cryptocurrency.

Because Bitcoin transactions are irrevocable and stolen or incorrectly transferred Bitcoin may be irretrievable, any incorrectly executed Bitcoin transactions could adversely affect an investment in us.

Bitcoin transactions are not, from an administrative perspective, reversible without the consent and active participation of the recipient of the transaction or, in theory, control or consent of a majority of the processing power on the respective Bitcoin network. Once a transaction has been verified and recorded in a block that is added to the blockchain, an incorrect transfer of Bitcoin or a theft of Bitcoin generally will not be reversible, and we may not be capable of seeking compensation for any such transfer or theft since the parties are anonymous. It is possible that, through computer or human error, or through theft or criminal action, our Bitcoin could be transferred from us in incorrect amounts or to unauthorized third parties. To the extent that we are unable to seek a corrective transaction with such third party or are incapable of identifying the third party which has received our Bitcoin through error or theft, we will be unable to revert or otherwise recover incorrectly transferred Bitcoin. The damages from any such loss could adversely affect an investment in us.

The Company's Bitcoin may be subject to loss, damage, theft or restriction on access.

We believe that the Company's Bitcoin will be an appealing target to hackers or malware distributors seeking to destroy, damage or steal our cryptocurrency. We cannot guarantee that any security software will prevent such loss, damage or theft, whether caused intentionally, accidentally or by act of God. Access to the Company's Bitcoin or private key could be restricted by natural events (such as an earthquake or flood) or human actions (such as a terrorist attack). We cannot currently insure the loss of our Bitcoin. While the Company will continue to seek out opportunities to insure or prevent loss of our Bitcoin we cannot ensure that any developments in insurance or technology will reduce the risk of loss of our Bitcoin. The loss or theft of part or all of the Company's Bitcoin may adversely affect our operations and, consequently, an investment in us.

In the future, we may acquire cryptocurrency that may be held by cryptocurrency exchanges, which will expose us to heightened risks from cybersecurity attacks and financial stability of cryptocurrency exchanges.

Madison and the Borrowers may transfer the Company's Bitcoin from their wallets to Bitcoin exchanges. Bitcoin not held in wallets are subject to the risks encountered by Bitcoin exchanges including a Disrupted Denial of Service Attack (commonly referred to as a DDoS Attack) or other malicious hacking, loss of the cryptocurrency by the Bitcoin exchange and other risks similar to those described herein. In the future, if we further expand into the cryptocurrency business, we may be subject to similar risks with cryptocurrency exchanges. Bitcoin exchanges do not usually provide insurance and may lack the resources to protect against hacking and theft. If this were to occur, the Company may be materially and adversely affected.

Because our Bitcoin is not subject to FDIC or SIPC protections, we are subject to risk of loss if a party holding our Bitcoin such as Madison becomes insolvent.

We do not hold our Bitcoin with a banking institution covered by the Federal Deposit Insurance Corporation ("FDIC") or a broker-dealer whose accounts are insured by the Securities Investor Protection Corporation ("SIPC") and, therefore, our Bitcoin is not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. If a party holding our Bitcoin becomes insolvent, we have no insurance coverage and are subject to a loss of our Bitcoin.

If a malicious actor or botnet obtains control in excess of 50% of the processing power active on the Bitcoin network, it is possible that such actor or botnet could manipulate the blockchain in a manner that adversely affects an investment in us.

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains a majority of the processing power dedicated to mining on the Bitcoin network, including the Bitcoin network, it may be able to alter the blockchain by constructing alternate blocks if it is able to solve for such blocks faster than the remainder of the miners on the blockchain can add valid blocks and could control, exclude or modify the ordering of transactions, though it could not generate new Bitcoin or transactions using such control.

The approach towards and possible crossing of the 50% threshold indicate a greater risk that a single mining pool could exert authority over the validation of Bitcoin transactions. To the extent that the Bitcoin ecosystems do not act to ensure greater decentralization of Bitcoin mining processing power, the feasibility of a malicious actor obtaining in excess of 50% of the processing power on the Bitcoin network (e.g., through control of a large mining pool or through hacking such a mining pool) will increase, which may adversely impact an investment in us.

If the award of Bitcoin for solving blocks and transaction fees for recording transactions are not sufficiently high to incentivize miners, miners may cease expending hashrate to solve blocks and confirmations of transactions on the blockchain could be slowed temporarily. A reduction in the hashrate expended by miners on the Bitcoin network could increase the likelihood of a malicious actor obtaining control in excess of 50% of the aggregate hashrate active on such network or the blockchain, potentially permitting such actor to manipulate the blockchain in a manner that adversely affects an investment in us.

Bitcoin miners record transactions when they solve for and add blocks of information to the blockchain. When a miner solves for a block, it creates that block. Typically, Bitcoin transactions will be recorded in the next chronological block if the spending party has an internet connection and at least one minute has passed between the transaction's data packet transmission and the solution of the next block. If a transaction is not recorded in the next chronological block, it is usually recorded in the next block thereafter.

As the award of new Bitcoin for solving blocks declines, and if transaction fees are not sufficiently high, miners may not have an adequate incentive to continue mining and may cease their mining operations. Any reduction in confidence in the confirmation process or aggregate speed of completing transactions on the Bitcoin network (the hashrate) may negatively impact the value of Bitcoin, which will adversely impact an investment in us.

To the extent Bitcoin mining operations experience low profit margins, their operators are more likely to immediately sell their Bitcoin earned by mining in the Bitcoin exchange market, resulting in a reduction in the price of Bitcoin that could adversely impact an investment in us.

Over the past two years, professionalized Bitcoin mining operations have largely replaced individual users mining with computer processors, graphics processing units and first-generation servers. Professionalized mining operations are of a greater scale than prior miners and have more defined, regular expenses and liabilities. These regular expenses and liabilities may require professionalized mining operations to more immediately sell Bitcoin earned from mining operations on the Bitcoin exchange market, than individual miners in past years. The immediate selling of newly mined Bitcoin greatly increases the supply of Bitcoin on the Bitcoin exchange market, creating downward pressure on the price of each Bitcoin.

The extent to which the value of Bitcoin mined by a professionalized mining operation exceeds the allocable capital and operating costs determines the profit margin of such operation. A professionalized mining operation may be more likely to sell a higher percentage of its newly mined Bitcoin rapidly if it is operating at a low profit margin—and it may partially or completely cease operations if its profit margin is negative. Lower Bitcoin prices could result in further tightening of profit margins, particularly for professionalized mining operations with higher costs and more limited capital reserves, creating a network effect that may further reduce the price of Bitcoin until mining operations with higher operating costs become unprofitable and remove mining power from the respective Bitcoin network. The network effect of reduced profit margins resulting in greater sales of newly mined Bitcoin could result in a reduction in the price of Bitcoin that could adversely impact an investment in us.

Because our business model is evolving, our management and Board of Directors (the "Board") will have broad discretion in determining what businesses we may enter, whether in the block chain and cryptocurrency area or otherwise.

In March 2018, we began implementing our plan to engage in the cryptocurrency and blockchain business. In March 2018, Yield entered into the NPA, the Bitcoin Agreement and related agreement as described in this Report. We may seek to make other investments in the cryptocurrency and blockchain business. The cryptocurrency and blockchain business is evolving and the future success of business ventures in the cryptocurrency and blockchain business is uncertain. We cannot assure you that we will make further investments or if we do we will be successful.

Normally, we will not require shareholder approval to make acquisitions. Thus, our Board will have broad discretion to enter into agreements without obtaining shareholder approval. We cannot assure you that the ventures approved by the Board will be successful.

General Risks

If we lose the services of our Chief Executive Officer, it could adversely affect our business.

David Lelong, our Chief Executive Officer, is our only employee and director. If we were to lose his services, it would pose significant difficulties to the Company's ability to continue operations. In addition, it could be costly and time-consuming to identify individuals to replace him if he were to leave, and our operations would be adversely affected.

We do not have life insurance covering Mr. Lelong. Further, the lack of staff and other management support limits Mr. Lelong's ability to manage and grow our business. Mr. Lelong holds the majority of the Company's shares of common stock. If Mr. Lelong is seriously injured or dies, the Company would have no employees or directors, and the majority of the Company's outstanding shares of common stock would become part of Mr. Lelong's estate and potentially escheat to his state of residence. If we lose the services of Mr. Lelong, it will jeopardize the future of the Company.

Because our Chief Executive Officer has no experience with the cryptocurrency or blockchain business, this inexperience may hamper his ability to make prudent business decisions in dealing with Madison or if we enter new businesses.

Mr. Lelong does not have a background in the blockchain or cryptocurrency business and the Company does not employ anyone who has experience in the blockchain or cryptocurrency business. This lack of experience may adversely affect our future operating results.

If we cannot manage our growth effectively, we may not become profitable.

Businesses which grow rapidly often have difficulty managing their growth. Our staff presently consists of one employee. If we continue to grow as rapidly as we anticipate, we will need to expand our management by recruiting and employing experienced executives and key employees capable of providing the necessary support. We cannot assure you that our management will be able to manage our growth effectively or successfully. Our failure to meet these challenges could cause us to lose money, and your investment could be lost.

Risks Relating to Our Common Stock

As a result of our recent financings we are obligated to issue a substantial number of additional shares of common stock, which will dilute our present shareholders.

In February 2018, we closed a financing transaction issuing a $250,000 Convertible Note. On March 9, 2018, we closed a financing transaction with the same investor issuing the Junior Lender a $777,202 Note as disclosed in Item 2.03 of this Form 8-K. As a result of the issuance of the Warrants to the Senior Lender, the conversion prices of the $250,000 Convertible Note and the $777,202 Note and exercise prices of 2,054,405 warrants issued to the Junior Lender were reduced to $0.01 per share as the result of anti-dilution protections in these instruments. We may issue up to approximately 104,775,000 shares if the Junior Lender converts the Convertible Note and Note and exercises the warrants. Further we issued the Senior Lender 25,000,000 Warrants exercisable at $0.01 per share. In addition, other Convertible Notes, Convertible Preferred Stock and Warrants obligate us to issue shares of common stock. In the future, we may grant additional options, warrants and convertible securities. The exercise, conversion or exchange of options, warrants or convertible securities, including for other securities, will dilute the percentage ownership of our shareholders. The dilutive effect of the exercise or conversion of these securities may adversely affect our ability to obtain additional capital. The holders of these securities may be expected to exercise or convert such options, warrants and convertible securities at a time when we would be able to obtain additional equity capital on terms more favorable than such securities or when our common stock is trading at a price higher than the exercise or conversion price of the securities. The exercise or conversion of outstanding warrants, options and convertible securities will have a dilutive effect on the securities held by our shareholders. We have in the past, and may in the future, exchange outstanding securities for other securities on terms that are dilutive to the securities held by other shareholders not participating in such exchange.

Because our common stock is subject to the "penny stock" rules, brokers cannot generally solicit the purchase of our common stock, which adversely affects its liquidity and market price.

The SEC has adopted regulations which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. The market price of our common stock on the OTCQB is presently less than $5.00 per share and therefore we are considered a "penny stock" according to SEC rules. Further, we do not expect our stock price to rise above $5.00 in the immediate future. The "penny stock" designation requires any broker-dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules limit the ability of broker-dealers to solicit purchases of our common stock and therefore reduce the liquidity of the public market for our shares.

Moreover, as a result of apparent regulatory pressure from the SEC and the Financial Industry Regulatory Authority, a growing number of broker-dealers decline to permit investors to purchase and sell or otherwise make it difficult to sell shares of penny stocks. The "penny stock" designation may continue to have a depressive effect upon our common stock price.

Due to factors beyond our control, our stock price may be volatile.

Any of the following factors could affect the market price of our common stock:

- The failure of Madison to generate material revenues;
- The Senior Lender calling the Note prior to our receipt of material revenues;
- Our failure to generate increasing material revenues;
- Regulatory changes including new laws and rules which adversely affect companies in the cryptocurrency business;
- Our public disclosure of the terms of any financing which we consummate in the future;
- Our failure to become profitable;
- Our failure to raise working capital;
- Any acquisitions we may consummate;
- Announcements by us or our competitors of significant contracts, new services, acquisitions, commercial relationships, joint ventures or capital commitments;
- Changes in our management;
- Our failure to meet financial forecasts we or broker-dealers publicly disclose;
- The sale of large numbers of shares of common stock which we may register in the future;
- Short selling activities; or
- Changes in market valuations of similar companies.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert our management's time and attention, which would otherwise be used to benefit our business.

Our common stock may be affected by limited trading volume and price fluctuations, which could adversely impact the value of our common stock.

Until recently, there has been limited trading in our common stock and there can be no assurance that an active trading market in our common stock will either develop or be maintained. Our common stock has experienced, and is likely to experience in the future, significant price and volume fluctuations, which could adversely affect the market price of our common stock without regard to our operating performance. In addition, we believe that factors such as quarterly fluctuations in our financial results and changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. These fluctuations may also cause short sellers to periodically enter the market in the belief that we will have poor results in the future. We cannot predict the actions of market participants and, therefore, can offer no assurances that the market for our common stock will be stable or appreciate over time.

Offers or availability for sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

If our shareholders sell substantial amounts of our outstanding common stock, preferred stock, convertible notes issuable upon the exercise of outstanding warrants or other convertible securities, it could create a circumstance commonly referred to as an "overhang" and in anticipation of which the market price of our common stock could fall. The existence of an overhang, whether or not sales have occurred or are occurring, also could make more difficult our ability to raise additional financing through the sale of equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate. The shares of our restricted common stock will be freely tradable upon the earlier of: (i) effectiveness of any registration statement covering such shares and (ii) the date on which such shares may be sold without registration pursuant to Rule 144 (or other applicable exemption) under the Securities Act.

Because we may issue preferred stock without the approval of our shareholders and have other anti-takeover defenses, it may be more difficult for a third party to acquire us and could depress our stock price.

In general, our Board may issue, without a vote of our shareholders, one or more additional series of preferred stock that have more than one vote per share, although the Company's ability to designate and issue preferred stock is currently restricted by covenants under our agreements with prior investors. Without these restrictions, our Board could issue preferred stock to investors who support us and our management and give effective control of our business to our management. Additionally, issuance of preferred stock could block an acquisition resulting in both a drop in our stock price and a decline in interest of our common stock. This could make it more difficult for shareholders to sell their common stock. This could also cause the market price of our common stock shares to drop significantly, even if our business is performing well.

Because we may not be able to attract the attention of major brokerage firms, it could have a material impact upon the price of our common stock.

It is not likely that securities analysts of major brokerage firms will provide research coverage for our common stock since these firms cannot recommend the purchase of our common stock under the penny stock rules referenced in an earlier risk factor. The absence of such coverage limits the likelihood that an active market will develop for our common stock. It may also make it more difficult for us to attract new investors at times when we require additional capital.

Since we intend to retain any earnings for development of our business for the foreseeable future, you will likely not receive any dividends for the foreseeable future.

We have not paid dividends in the past and do not intend to pay any dividends in the foreseeable future, as we intend to retain any earnings for development and expansion of our business operations. As a result, you will not receive any dividends on your investment for an indefinite period of time.

If our common stock becomes subject to a "chill" imposed by the Depository Trust Company, or DTC, your ability to sell your shares may be limited.

The DTC acts as a depository or nominee for street name shares that investors deposit with their brokers. DTC in the last several years has increasingly imposed a chill or freeze on the deposit, withdrawal and transfer of common stock of issuers whose common stock trades on the tiers of the OTC Markets like that of the Company. Depending on the type of restriction, a chill or freeze can prevent shareholders from buying or selling shares and prevent companies from raising money. A chill or freeze may remain imposed on a security for a few days or an extended period of time (in at least one instance a number of years). While we have no reason to believe a chill or freeze will be imposed against our common stock in the future, if it were your ability to sell your shares would be limited. In such event, your investment will be adversely affected.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Exhibit
4.1	Form of Senior Note
4.2	Form of Warrants
4.3	Form of Note
4.4	Form of Note Warrants
10.1	Form of Note Purchase Agreement
10.2	Form of Guaranty
10.3	Form of Confidential BTC Lending Program Participation Agreement
10.4	Form of Account Control Agreement
10.5	Form of Subordination Agreement
10.6	Form of SPA

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.

SPORT ENDURANCE, INC.

Date: March 14, 2018

By: /s/ David Lelong
Name: David Lelong
Title: Chief Executive Officer

Exhibit 4.1

Execution copy

ORIGINAL ISSUE DISCOUNT
SECURED DEMAND PROMISSORY NOTE

Principal Amount: $5,500,000
Purchase Price: $5,000,000 **Original Issue Date: March 12, 2018**

FOR VALUE RECEIVED, the undersigned, Yield Endurance, Inc., with offices located at 101 Hudson Street, 21st Floor, Jersey City, New Jersey 07302 (the "**Borrower**"), hereby promises to pay to the order of ___ (the "**Holder**"), on demand, in lawful currency of the United States of America, the principal amount of Five Million Five Hundred Thousand and 00/100 Dollars ($5,500,000) (the "**Principal Sum**"), or alternatively, as determined in the sole discretion of Borrower the Principal Sum paid in bitcoins as provided for in Section 2 hereof, and interest on the unpaid portion of the Principal Sum, in accordance with the provisions of this secured demand promissory note (as may be amended from time-to-time, this "**Note**"):

1. Background.

(a) Original Issue Discount. The principal amount of this Note is subject to an original issue discount in the amount of Five Hundred Thousand and 00/100 Dollars ($500,000); as a result, on or prior to the date hereof, the Holder shall or has delivered to the Borrower, or its assigns, cash in the amount of Five Million and 00/100 Dollars ($5,000,000) (the "**Purchase Price**").

(b) Security Interest. As further consideration for Holder's purchase of this Note, Holder will take a first priority lien security interest in the assets of the Borrower and Sport Endurance, Inc. (the "Guarantor") pursuant to the terms set forth in the Security Agreement as defined below by and among Borrower, Guarantor and Holder. Notwithstanding the security interest granted to Holder, the Borrower as the owner of the bitcoins delivered by the original Holder, may transfer the bitcoins to Madison Partners, LLC, a Delaware limited liability company, in accordance with the terms of that Confidential BTC Lending Program Participation Agreement of even date hereof by and between the Borrower and Madison Partners, LLC (the "**BTC Lending Agreement**").

(c) Documents. This Note has been issued pursuant to the terms of a note purchase agreement dated as of the Original Issue Date (the "**Purchase Agreement**") and the ancillary documents executed in connection therewith, including, a security agreement (the "**Security Agreement**") by and among the Borrower and the Holder, as amended from time to time (collectively with all other documents appurtenant to the sale of this Note, the "**Transaction Documents**"). Terms not otherwise defined herein shall have the meanings ascribed to them in the Transaction Documents.

2. Maturity Date. Unless retired earlier or unless the maturity hereof is sooner accelerated based on an Event of Default (as defined below), this Note shall mature and the principal sum due hereunder, shall become due and payable on demand by Holder thirty (30) days following receipt by Borrower of notice of maturity from Holder (30 days after demand, the "**Maturity Date**") or an Event of Default, as defined herein. The Borrower shall pay all amounts

owing under this Note in full on a continuing basis for so long as mutually agreed upon by Borrower and Holder. On the Maturity Date, and in the event of pre-payment as provided herein, Borrower shall pay the Holder the amount as follows: (a) in the event that the value of bitcoin on the Maturity Date is less than the value of bitcoin on the Closing Date, the principal amount of this Note, plus interest, in cash, by wire transfer of immediately available funds; (b) in the event that the value of bitcoins on the Maturity Date is greater than or equal to the value of bitcoin on the Closing Date, the principal amount of this Note, plus interest, by return of the number of bitcoins delivered to Holder on the Closing Date, provided the total value shall equal or exceed all amounts due and owning under the Note, and any additional amounts owning under the Note in cash by wire transfer of immediately available funds.

3. **Prepayment**. This Note may be prepaid in whole or part at any time prior to the Maturity Date by Borrower in accordance with this Note; provided, however, that any payment (whether in the form of cash or bitcoin or any combination thereof) pursuant to this Note shall be applied first to interest that has become due pursuant to this Note and remains unpaid under Section 4 and then to the outstanding Principal Sum of this Note.

4. **Interest Rate**. Interest shall accrue on the unpaid principal balance of this Note at a rate of ten (10%) percent per annum for the term of this Note, calculated on a 365/366 day year, as applicable; provided, however, that upon an Event of Default, interest shall accrue as provided in Section 7 hereof, and provided, further, if the Note is repaid on the Maturity Date in full, all interest shall be cancelled.

5. **Security**. All obligations under this Note shall be secured by a first priority lien interest in all assets of the Borrower and Guarantor, senior to any other indebtedness of the Borrower and Guarantor as provided in the Security Agreement. Notwithstanding anything to the contrary herein or in any other Transaction Documents, the Borrower may at any time transfer the bitcoins as contemplated by the BTC Lending Agreement

6. **Maximum Interest Rate**. In no event shall any agreed to or actual charge, reserved or taken as an advance or forbearance by the Holder as consideration, exceed the maximum interest rate permitted by law applicable from time to time to this Note for the use or detention of money or for forbearance in seeking its collection; the Holder hereby waives any right to demand such excess. If the interest provisions of this Note or any exactions provided for in this Note shall result at any time or for any reason in an effective rate of interest that transcends the maximum interest rate permitted by Illinois law (if any), then without further agreement or notice, the obligation to be fulfilled shall be automatically reduced to such limit and all sums received by the Holder in excess of those lawfully collectible as interest shall be applied against the Principal Sum of this Note immediately upon the Holder's receipt thereof, with the same force and effect as though the Borrower had specifically designated such extra sums to be so applied to principal and the Holder had agreed to accept such extra payment(s) as a premium-free prepayment or prepayments.

7. **Events of Default**. The entire unpaid principal balance of this Note and all other sums owing under this Note, shall at the option of the Holder become immediately due and payable after written notice to Borrower and providing a seven (7) day cure period upon the occurrence of any one or more of the following events ("**Events of Default**"):

(a) The failure of the Borrower to pay the principal, interest or other sum when due hereunder or under any other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby, except, in the case of a failure to pay interest when and as due, in which case only if such failure remains uncured for a period of at least five (5) business days;

(b) The Borrower or any of its subsidiaries (the "**Subsidiaries**") fails to honor any material obligation or otherwise breaches any representation, warranty, covenant or other material term or condition of any Transaction Document or other agreement, document, certificate or other instrument delivered in connection with the transactions contemplated hereby (including, without limitation, using the proceeds of the Note for any purpose other than as described in the Transaction Documents), except, in the case of a breach of a covenant or other term or condition that is curable, only if such breach remains uncured for a period of five (5) calendar days;

(c) The bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for the relief of debtors shall be instituted by or against the Borrower or any Subsidiary and, if instituted against the Borrower or any Subsidiary by a third party, shall not be dismissed within thirty (30) days of their initiation;

(d) The commencement by the Borrower 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 Borrower 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 Borrower 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 Borrower or any Subsidiary in furtherance of any such action or the taking of any action by any person to commence a UCC foreclosure sale or any other similar action under federal, state or foreign law;

(e) The entry by a court of (i) a decree, order, judgment or other similar document in respect of the Borrower 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 or (ii) a decree, order, judgment or other similar document adjudging the Borrower 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 Borrower or any Subsidiary under any applicable federal, state or foreign law or (iii) a decree, order, judgment or other similar document

appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Borrower 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 period of thirty (30) consecutive days;

(f) The Security Agreement and/or any related documents with respect to the security interest granted in this transaction shall for any reason fail or cease to create a separate valid and perfected and, except to the extent permitted by the terms hereof or thereof, a first priority lien on the Collateral in favor of each of the Secured Parties (as defined in the Security Agreement).

(g) Any default by the Borrower under, or the occurrence of any event of default as defined in, any other material indebtedness owed by the Borrower or its Subsidiaries.

(h) A Transaction Document, including this Note, shall cease to be, or shall be asserted by the Borrower or any other obligor thereunder, not to be in full force and effect.

8. Rights and Remedies of Holder. The occurrence of any Event of Default shall allow the Holder, with or without notice to: (a) accelerate the maturity of this Note and demand immediate payment of all outstanding principal and accrued but unpaid interest therein, as well as all and other sums due hereunder, and (b) immediately exercise and pursue any rights, privileges, remedies and powers as provided herein or under law. The Holder's rights, privileges, remedies and powers, as provided in this Note are cumulative and concurrent, and may be pursued singly, successively or together against the Borrower at the sole discretion of the Holder. Additionally, the Holder may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in the Holder's sole discretion. The Holder's delay in exercising or failure to exercise any rights or remedies to which the Holder may be entitled if any Event of Default occurs shall not constitute a waiver of any of the Holder's rights or remedies with respect to that or any subsequent Event of Default, whether of the same or a different nature, nor shall any single or partial exercise of any right or remedy by the Holder preclude any other or further exercise of that or any other right or remedy. No waiver of any right or remedy by the Holder shall be effective unless made in writing and signed by the Holder, nor shall any waiver on one occasion apply to any future occasion, but shall be effective only with respect to the specific occasion addressed in that signed writing.

9. Waiver and Consent. To the fullest extent permitted by law, the Borrower hereby: (a) waives demand, presentment, protest, notice of dishonor, suit against or joinder of any other person, and all other requirements necessary to charge or hold the Borrower liable with respect to this Note; (b) waives any right to immunity or exemption of any property, wherever located, from garnishment, levy, execution, seizure or attachment prior to or in execution of judgment, or sale under execution or other process for the collection of debts; (c) submits to the jurisdiction of the state and federal courts as set forth in Section 12 below; (d) agrees that the venue of any such action or proceeding may be laid in as described in Section 12 below and waives any claim that the same is an inconvenient forum. Until the Holder receives all sums due under this Note in

immediately available funds, the Borrower shall not be released from liability with respect to this Note unless the Holder expressly releases the Borrower in a writing signed by the Holder.

10. **Costs, Indemnities and Expenses**. In addition to the attorney's fees incurred by the Holder in the amount of Two Thousand Five Hundred Dollars and 00/100 ($2,500) in connection with the preparation of the Purchase Agreement, this Note and the transactions contemplated thereby, the Borrower agrees to pay all filing fees and similar charges and all costs incurred by the Holder in preparation of and collecting or securing or attempting to collect or secure this Note, including reasonable attorneys' fees, whether or not involving litigation and/or appellate, administrative or bankruptcy proceedings. In addition to the payment of the documentary stamp taxes due on this Note, the Borrower agrees to pay any applicable intangible taxes or other taxes (except for federal or state income or franchise taxes based on the Holder's net income) which may now or hereafter apply to this Note or any payment made in respect of this Note, and the Borrower agrees to indemnify and hold the Holder harmless from and against any liability, costs, attorney's fees, penalties, interest or expenses relating to any such taxes, as and when the same may be incurred.

11. **Order of Payments**. Except as otherwise required by law, payments received by the Holder hereunder shall be applied first against expenses and indemnities and next in reduction of the outstanding principal balance of this Note, except that during the continuance of any Event of Default, the Holder may apply such payments in any order of priority determined by the Holder in its exclusive judgment. Upon the satisfaction of the payment of the Principal Sum of this Note, Holder hereby releases and discharges Borrower from any and all claims, demands, liabilities, suits or damages, whether known or unknown, of any type or nature, whether past, present, or future, including, but not limited to those claims arising from or in any way related to the Note.

12. **Governing Law**. This Note shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF, AND VENUE IN, ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION LOCATED IN COOK COUNTY, STATE OF ILLINOIS, SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS NOTE AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREIN, AND HEREBY WAIVES, AND AGREES NOT TO ASSERT, AS A DEFENSE IN ANY ACTION FOR THE INTERPRETATION OR ENFORCEMENT HEREOF, THAT IT IS NOT SUBJECT THERETO OR THAT SUCH ACTION MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT THE VENUE THEREOF MAY NOT BE APPLICABLE OR THAT THIS NOTE MAY NOT BE ENFORCED IN OR BY SAID COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION SHALL BE HEARD AND DETERMINED IN SAID COURTS. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE.

13. **Notice**. Any notices, requests, demands and other communications required or permitted to be given hereunder shall be given in writing and shall be deemed to have been duly given when delivered by hand, five (5) days following the date of deposit in the United States mail, by registered or certified mail, postage prepaid, return receipt requested, or on the delivery date

shown on a written verification of delivery provided by a reputable private delivery service, if addressed to the mailing address as set forth in the preamble to this Note or such other address as last provided to the sender by the addressee in accordance with this Section.

14. **Assignability**. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Holder and its successors and assigns. Borrower may not delegate any of its obligations, or assign any of its rights, under this Note without the prior written consent of Holder.

15. **Amendment Provision**. The term "Note" and all references thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

16. **Severability**. If any part of this Note is adjudged illegal, invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of this Note that can be given effect without such provision.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Borrower has caused this Note to be signed in its name as of the date first above written.

Yield Endurance, Inc.

By: _____
Name: David Lelong
Title: President and CEO

Exhibit 4.2

Execution copy

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

COMMON STOCK PURCHASE WARRANT

SPORT ENDURANCE, INC.

Warrant Shares: 25,000,000
Warrant No: **Issuance Date: March 12, 2018**

THIS COMMON STOCK PURCHASE WARRANT (the "**Warrant**") certifies that, for value received, _____, or its assigns (the "**Holder**") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "**Exercise Date**") and on or prior to the close of business on the fifth (5th) year anniversary of the Exercise Date (the "**Termination Date**") but not thereafter, to subscribe for and purchase from Sport Endurance, Inc., a Nevada corporation (the "**Company**"), up to twenty five million (25,000,000) shares (as subject to adjustment hereunder, the "**Warrant Shares**") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Note Purchase Agreement (the "**Purchase Agreement**"), dated March 12, 2018, between the Company, its wholly owned subsidiary, Yield Endurance, Inc., and the purchaser signatory thereto and the secured demand promissory note issued to the Holder contemporaneously with this Warrant.

Section 2. Exercise.

a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Exercise Date and on or before the

Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto. Within two (2) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. Notwithstanding anything herein to the contrary (although the Holder may surrender the Warrant to, and receive a replacement Warrant from, the Company), the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within one (1) Trading Day of delivery of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be $0.01 (the "**Initial Exercise Price**"), subject to adjustment hereunder (as adjusted, the "**Exercise Price**"), payable, subject to Section 2(c) below, in immediately available funds.

c) Cashless Exercise. If at any time commencing after the Exercise Date, there is no effective registration statement registering, or no current prospectus available for the resale of all of the Warrant Shares that may be acquired pursuant to this Warrant by the Holder, then this Warrant may also be exercised at the Holder's election, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the VWAP on the Trading Day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

Notwithstanding anything herein to the contrary, on the Termination Date, unless the Holder notifies the Company otherwise, if there is no effective registration statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, then this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. Certificates for shares purchased hereunder shall be transmitted by the Company's transfer agent for its Common Stock (the "**Transfer Agent**") to the Holder by crediting the account of the Holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("**DWAC**") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise and Rule 144 is available, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is two (2) Trading Days after the latest of (A) the delivery to the Company of the Notice of Exercise, (B) surrender of this Warrant (if required) and (C) payment of the aggregate Exercise Price as set forth above (including by cashless exercise, if permitted) (such date, the "**Warrant Share Delivery Date**"). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid. The Company understands that a delay in the delivery of the Warrant Shares after the Warrant Share Delivery Date could result in economic loss to the Holder. As compensation to the Holder for such loss, the Company agrees to pay (as liquidated damages and not as a penalty) to the Holder for late issuance of Warrant Shares upon exercise of this Warrant the proportionate amount of $10 per Trading Day (increasing to $20 per Trading Day after the fifth (5th) Trading Day) after the Warrant Share Delivery Date for each $1,000 of Exercise Price of Warrant Shares for which this Warrant is exercised which are not timely delivered. The Company shall pay any payments incurred under this Section in immediately available funds upon demand. Furthermore, in addition to any other remedies which may be available to the Holder, in the event that the Company fails for any reason to effect delivery of the Warrant Shares by the Warrant Share Delivery Date, the Holder may revoke all or part of the relevant Warrant exercise by delivery of a notice to such effect to the Company, whereupon the Company and the Holder shall each be restored to their respective positions immediately prior to the exercise of the relevant portion of this Warrant, except that the liquidated damages described above shall be payable through the date notice of revocation or rescission is given to the Company.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right, at any time prior to issuance of such Warrant Shares, to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

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

vi. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 hereof or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934 (the "**Exchange Act**") and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is

exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Securities and Exchange Commission (the "SEC"), as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 2.49% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder may decrease the Beneficial Ownership Limitation at any time and the Holder, upon not less than 61 days' prior notice to the Company, may increase the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any such increase will not be effective until the 61 st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant or pursuant to any of the other Transaction Documents), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator

shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Equity Sales. If the Company or any Subsidiary thereof, as applicable, at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Stock or Common Stock Equivalents, at an effective price per share less than the Exercise Price then in effect, excluding Exempt Issuances as defined in the Purchase Agreement (such lower price, the "**Base Share Price**" and such issuances collectively, a "**Dilutive Issuance**") (it being understood and agreed that if the holder of the Common Stock or 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 less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance at such effective price), then simultaneously with the consummation of each Dilutive Issuance the Exercise Price shall be reduced and only reduced to equal the Base Share Price and the number of Warrant Shares issuable hereunder shall be increased such that the aggregate Exercise Price payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price prior to such adjustment. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. Notwithstanding the foregoing, no adjustments shall be made, paid or issued under this Section 3(b) in respect of an Exempt Issuance. The Company shall notify the Holder, in writing, no later than the Trading Day following the issuance or deemed issuance of any Common Stock or Common Stock Equivalents subject to this Section 3(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "**Dilutive Issuance Notice**"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 3(b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Warrant Shares based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. If the Company enters into a Variable Rate Transaction, despite the prohibition thereon in the Purchase Agreement, the Company shall be deemed to have issued Common Stock or Common Stock Equivalents at the lowest possible conversion or exercise price at which such securities may be converted or exercised. Notwithstanding the foregoing, the issuance of any Common Stock or Common Stock Equivalents pursuant to the Purchase Agreement shall not be deemed a Dilutive Issuance

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase

Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. If the Company, at any time while this Warrant is outstanding, shall distribute to all holders of Common Stock (and not to the Holder) evidences of its indebtedness or assets (including cash and cash dividends) or rights or warrants to subscribe for or purchase any security other than the Common Stock (which shall be subject to Section 3(c)), then in each such case the Exercise Price shall be adjusted by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then per share fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holder of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share

purchase agreement or other business combination) (each a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "**Successor Entity**") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(d) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant 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 Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest whole share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

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

g) Increase in Warrant Shares. In the event the Exercise Price is reduced for any reason, including but not limited to pursuant to Section 3(e) of this Warrant the number of Warrant Shares issuable hereunder shall be increased such that the aggregate Exercise Price

payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price prior to such adjustment.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the provisions of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the '**Warrant Register**"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Registration Rights.

a) Registration Under the Securities Act of 1933. As of the date hereof, none of the Warrants or the Warrant Shares have been registered for purposes of public resale or distribution under the Securities Act of 1933, as amended (the "**Securities Act**").

b) Registrable Securities. As used herein, the term "*Registrable Security*" means the Warrant Shares and any shares of Common Stock issued upon any stock split or stock dividend in respect of such Warrant Shares; *provided*, *however*, that with respect to any particular Registrable Security, such security shall cease to be a Registrable Security when, as of the date of determination, (i) it has been registered under the Securities Act and disposed of pursuant thereto, (ii) registration under the Securities Act is no longer required for the Holder for subsequent public

distribution of such security without regard to volume restrictions under Rule 144 (including Rule 144(a)) promulgated under the Securities Act or otherwise, or (iii) it has ceased to be outstanding. The term "*Registrable Securities*" means any and/or all of the securities falling within the foregoing definition of a "*Registrable Security*." In the event of any merger, reorganization, consolidation, recapitalization or other change in corporate structure affecting the Common Stock, such adjustment shall be made in the definition of Registrable Security as is appropriate in order to prevent any dilution or enlargement of the rights granted pursuant to this Section.

c) Piggyback Registration. If, prior to the Termination Date, the Company proposes to prepare and file a registration statement or post-effective amendments thereto covering the sale for cash of shares of Common Stock, including shares of Common Stock held by stockholders of the Company (in any such case, other than pursuant to Form S-4 or Form S-8 or successor forms, or on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities) (for purposes of this Section, collectively, the "**Registration Statement**"), it will give written notice of its intention to do so ("**Notice**"), at least 30 days prior to the filing of each such Registration Statement, to all Holders of the Registrable Securities. Upon the written request of such a Holder (a "**Requesting Holder**"), made within 20 days after the Notice is given, that the Company include any of the Requesting Holder's Registrable Securities in the proposed Registration Statement, the Company shall, as to each such Requesting Holder, use its best efforts to effect the registration under the Securities Act of the Registrable Securities which it has been so requested to register ("**Piggyback Registration**"), at the Company's sole cost and expense and at no cost or expense to the Requesting Holders (except as provided below).

Notwithstanding the provisions of this Section, the Company shall have the right at any time after it shall have given written notice pursuant to this Section (irrespective of whether any written request for inclusion of Registrable Securities shall have already been made) to elect not to file any such proposed Registration Statement, or to withdraw the same after the filing but prior to the effective date thereof, without incurring any liability to any holder of Registrable Securities.

d) Covenants With Respect to Registration. In connection with any registration of Registrable Securities pursuant to this Warrant, the parties agree that:

i. With respect to each inclusion of securities in a registration statement pursuant to the Section, the Company shall bear the following fees, costs, and expenses: all registration, filing fees, printing expenses, fees and disbursements of counsel and accountants for the Company, and legal fees and disbursements and other expenses of complying with state securities laws of any jurisdictions in which the securities to be offered are to be registered or qualified. Fees and disbursements of special counsel and accountants for the selling Holders, underwriting discounts and commissions, and transfer taxes for selling Holders and any other expenses incurred by the selling Holders and relating to the sale of securities by the selling Holders not expressly included above shall be borne by the selling Holders.

ii. The Company shall take or cause to be taken all necessary action to qualify the Registrable Securities for sale under the securities laws of such jurisdictions of the United States as the Holders reasonably designate and to

continue such qualifications in effect so long as required for the distribution of the Registrable Securities, except that the Company shall not be required in connection therewith to qualify as a foreign corporation, to subject itself to taxation in any jurisdiction, to execute a general consent to service of process in any jurisdiction, or register or qualify the securities in any jurisdiction which employs "merit review".

iii. The Company shall indemnify any Holder of the Registrable Securities to be sold pursuant to any Registration Statement andsuch holder's officers, directors, managers, members, partners, stockholders and Affiliates, each underwriter, broker or any other Person acting on behalf of such holder of Registrable Securities and each person, if any, who controls any of the foregoing persons, within the meaning of Section 15 of the Securities Act or Section 20(a) of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"), against all loss, claim, damage, expense or liability (including all expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever) to which any of them may become subject under the Act, the Exchange Act or otherwise, which arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or any document incident to registration or qualification of any Registrable Securities, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or, with respect to any prospectus, necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or any violation by the Company of the Securities Act, the Exchange Act, or state securities or blue sky laws applicable to the Company and relating to action or inaction required of the Company in connection with such registration or qualification under the Securities Act or such state securities or blue sky laws. If the Company fails to defend the Investor as required, it shall reimburse (after receipt of appropriate documentation) each Investor for any legal or any other out-of-pocket expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action, subject to the next subsection.

iv. In the event of any registration of any Registrable Securities under the Securities Act pursuant to this Agreement, each Holder shall indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 6(a)) the Company, each director of the Company, each officer of the Company who signs such registration statement, the Company's attorneys and auditors and any Person who controls the Company within the meaning of the Securities Act, with respect to any untrue statement or omission from such registration statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or omission was made in reliance upon and in conformity with written information furnished to the

Company by such Holder specifically for use in the preparation of such registration statement, preliminary prospectus, final prospectus or amendment or supplement.

v. Nothing contained in this Warrant shall be construed as requiring any Holder to exercise the Warrants held by such Holder prior to the initial filing of any registration statement or the effectiveness thereof.

vi. If the Company shall fail to comply with the provisions of this Section 5, the Company shall, in addition to any other equitable or other relief available to the Holders of Registrable Securities, be liable for any or all consequential damages sustained by the Holders of Registrable Securities requesting registration of their Registrable Securities; *provided*, *however*, that the Holders of Registrable Securities shall not be entitled to any special or punitive damages with respect to any such failure on behalf of the Company.

vii. If any registration or distribution pursuant to this Section 5 is underwritten in whole or in part, the Company may require that the Registrable Securities requested for inclusion pursuant to Section be included in the underwriting on the same terms and conditions as the securities otherwise being sold through the underwriters. If a greater number of Registrable Securities, other securities of the Company held by stockholders holding rights as selling security holders, and securities held by directors and officers of the Company is requested to be included in the proposed offering than, in the reasonable opinion of the managing underwriters of the proposed offering, can be accommodated without adversely affecting the proposed offering, then the Company shall include in such registration the number of shares that can be so sold in the proposed offering in the following order of priority: (A) first, to the Company, and, if there is a balance remaining, (B) second, to the Holders, any other stockholders holding rights as selling security holders, and any stockholder who is an officer or director of the Company as of the date hereof, provided that if the balance remaining is not sufficient to include in the offering all of the Registrable Securities and other securities requested to be registered by the Holders and such other stockholders, the number of Registrable Securities and other securities to be included for any such holder shall be reduced pro rata based on the proportionate number of Registrable Securities and other securities requested to be included in such offering.

viii. The Company shall promptly deliver copies of all correspondence between the SEC and the Company, its counsel or its auditors with respect to the Registration Statement to each Holder of Registrable Securities included for registration in such Registration Statement pursuant to this Section requesting (in writing) such correspondence and to the managing underwriters, if any, of the offering in connection with which such Holder's Registrable Securities are being registered and shall permit each Holder of Registrable Securities and such underwriter to do such reasonable investigation, upon reasonable advance notice, with respect to information contained in or omitted from the Registration Statement as it deems reasonably necessary to comply with applicable securities laws or rules of the FINRA. Such investigation shall include access to books, records and

properties and opportunities necessary or helpful to discuss the business of the Company with its officers and independent auditors, all to such reasonable extent, at such reasonable times, upon such reasonable notice and as often as any such Holder of Registrable Securities or underwriter shall reasonably request; provided, that the Company may require each such Holder or underwriter to enter into reasonable confidentiality and non-disclosure agreements with respect to the information contained in or derived from such investigations.

Section 6. Definitions.

a) "**Affiliate**" shall mean as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise. For purposes of this definition, a Person shall be deemed to be "**controlled by**" a Person if such latter Person possesses, directly or indirectly, power to vote 10% or more of the securities having ordinary voting power for the election of directors of such former Person.

b) "**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.

c) "**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 the 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 the 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. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

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

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

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

g) "**Principal Market**" means OTCQB or the principal securities exchange or securities market on which the Common Stock is then quoted or traded.

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

i) "**Subsidiary**" means any subsidiary of the Company including any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

j) "**Trading Day**" means any day on which the 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 Common Stock are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the 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).

k) "**Voting Stock**" of a person means capital stock of such person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers, trustees or other similar governing body of such person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

l) "**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 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "HP" function set to "weighted average" or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of

the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported by OTC Markets Group Inc. (formerly Pink Sheets LLC). If the VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and such Holder. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

Section 7. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i).

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

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

d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue). Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms

and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant. Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning governing law, jurisdiction, venue and the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, or unless exercised in a cashless exercise when Rule 144 is available, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Non-waiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant

and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holders of not less than a majority of the outstanding Warrants issued pursuant to the Purchase Agreement.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

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

SPORT ENDURANCE, INC.

By:_____
Name: David Lelong
Title: Chief Executive Officer

NOTICE OF EXERCISE

TO: SPORT ENDURANCE, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] [if permitted] the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

(4) After giving effect to this Notice of Exercise, the undersigned will not have exceeded the Beneficial Ownership Limitation.

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

SPORT ENDURANCE, INC.

FOR VALUE RECEIVED, [____] all of or [_____] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____.

_____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 4.3

Execution Copy

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

Original Issue Date: March ___, 2018 US $ 777,202.07

3.5% ORIGINAL ISSUE DISCOUNT
10% SENIOR SECURED CONVERTIBLE PROMISSORY NOTE
DUE DECEMBER ___, 2018

THIS 10% SENIOR SECURED CONVERTIBLE PROMISSORY NOTE duly authorized and validly issued on March ___, 2018 (the "Original Issue Date") by **SPORT ENDURANCE, INC.**, a Nevada corporation (the "Company") (this note, the "Note" and, collectively with the other notes of such series, the "Notes").

FOR VALUE RECEIVED, the Company promises to pay to _____ or its registered assigns (the "Holder"), pursuant to the terms hereunder, the principal sum of seven hundred seventy seven thousand two hundred and two dollars and seven cents ($777,202.07) on the date that is nine (9) months from the Original Issue Date (the "Maturity Date") or such earlier date as this Note is required or permitted to be repaid as provided hereunder, and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Note in accordance with the provisions hereof. This Note is subject to the following additional provisions:

Section 1. Definitions. For the purposes hereof, (a) capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement (as defined herein) and (b) the following terms shall have the following meanings:

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

"Bankruptcy Event" means any of the following events: (a) the Company or any Significant Subsidiary (as such term is defined in Rule 1-02(w) of Regulation S-X) thereof commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Significant Subsidiary thereof, (b) there is commenced against the Company or any Significant Subsidiary thereof any such case or proceeding that is not dismissed within 60 days after commencement, (c) the Company or any Significant Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered, (d) the Company or any Significant Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that

is not discharged or stayed within 60 calendar days after such appointment, (e) the Company or any Significant Subsidiary thereof makes a general assignment for the benefit of creditors, (f) the Company or any Significant Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts or (g) the Company or any Significant Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

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

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

"Black Scholes Value" means the value of the outstanding principal amount of this Note, plus all accrued and unpaid interest hereon based on the Black and Scholes Option Pricing Model obtained from the "OV" function on Bloomberg, L.P. ("Bloomberg") determined as of the day of consummation of the applicable Fundamental Transaction for pricing purposes and reflecting (A) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Maturity Date, (B) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of the Trading Day immediately following the public announcement of the applicable Fundamental Transaction, (C) the underlying price per share used in such calculation shall be the sum of the price per share being offered in cash, if any, plus the value of any non-cash consideration, if any, being offered in such Fundamental Transaction and (D) a remaining option time equal to the time between the date of the public announcement of the applicable Fundamental Transaction and the Maturity Date.

"Bloomberg" shall have the meaning set forth in the definition of Black Scholes Value.

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

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

"Change of Control Transaction" means the occurrence after the Original Issue Date of any of (a) an acquisition after the Original Issue Date by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of 50% of the voting securities of the Company (other than by means of conversion, exercise or exchange of the Notes or the Securities issued together with the Notes), (b) the Company merges into or consolidates with any other Person, or any Person merges into or consolidates with the Company and, after giving effect to such transaction, the shareholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the Company or the Successor Entity (as hereinafter defined) of such transaction, (c) the Company sells or transfers all or substantially all of its assets to another Person and the shareholders of the Company immediately prior to such transaction own less than 50% of the aggregate voting power of the acquiring entity immediately after the transaction, (d) a replacement at one time or within a three year period of more than one-half of the members of the Board of Directors which is not approved by a majority of those individuals who are members of the Board of Directors on the Original Issue Date (or by those individuals who are serving as members of the Board of Directors on any date whose nomination to the Board of Directors was approved by a majority of the members of the Board of Directors who are members

on the Original Issue Date), or (e) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth in clauses (a) through (d) above.

"Company" shall have the meaning set forth in the preamble.

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

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

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

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

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

"Cryptocurrency Transaction" means a potential future transaction between the Company and one or more lenders pursuant to which the Company will be borrowing approximately $5,000,000 of cryptocurrency evidenced by an original issue discount senior secured promissory note in the approximate amount of $5,500,000.

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

"Default Interest Rate" shall have the meaning set forth in Section 2(a).

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

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

"Distribution" shall have the meaning set forth in Section 5(d).

"DWAC" means the Deposit or Withdrawal at Custodian system at The Depository Trust Company.

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

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, consultants, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, or if there are no non-employee directors, by a majority of the Board of Directors, (b) securities upon the exercise or exchange of or conversion of any securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the Effective Date, provided that such securities have not been amended since the Effective Date to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, 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 owner of 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, (d) securities issued to lenders which are regularly engaged in the making of commercial loans evidenced by notes which are not convertible into securities, and (e) securities issued to any Person pursuant to the Cryptocurrency Transaction.

"Force Majure" means the Company shall be excused from any delay in performance or for non-performance of any of the terms and conditions of this Note caused by any Force Majeure event. Force Majeure shall mean strikes, labor disputes, freight embargoes, interruption or failure in the Internet, telephone or other telecommunications service or related equipment, material interruption in the mail service or other means of communication within the United States, if the Company shall have sustained a material or substantial loss by fire, flood, accident, hurricane, earthquake, theft, sabotage, or other calamity or malicious act, whether or not such loss shall have been insured, acts of God, outbreak or material escalation of hostilities or civil disturbances, national emergency or war (whether or not declared), or other calamity or crises including a terrorist act or acts affecting the United States, future laws, rules, regulations or acts of any government (including any orders, rules or regulations issued by any official or agency of such government), or any cause beyond the reasonable control of the Company.

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

"Holder" shall have the meaning set forth in the preamble.

"Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $25,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated 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 (z) the present value of any lease payments in excess of $10,000 due under leases required to be capitalized in accordance with GAAP.

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

"Mandatory Default Amount" means the sum of (a) 130% of the outstanding principal amount of this Note, plus 100% of accrued and unpaid interest hereon, and (b) all other amounts, costs, expenses and liquidated damages due in respect of this Note.

"Maturity Date" shall have the meaning set forth in the preamble.

"New York Courts" shall have the meaning set forth in Section 8(e).

"Note" or "Notes" shall have the meaning set forth in the preamble.

"Note Register" shall mean the Company's records regarding the ownership of the Note.

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

"Option Value" means the value of a Common Stock Equivalent based on the Black Scholes Option Pricing model obtained from the "OV" function on Bloomberg determined as of (A) the Trading Day prior to the public announcement of the issuance of the applicable Common Stock Equivalent, if the issuance of such Common Stock Equivalent is publicly announced or (B) the Trading Day immediately following the issuance of the applicable Common Stock Equivalent if the issuance of such Common Stock Equivalent is not publicly announced, for pricing purposes and reflecting (i) a risk-free interest rate corresponding to the U.S. Treasury rate for a period equal to the remaining term of the applicable Common Stock Equivalent as of the applicable date of determination, (ii) an expected volatility equal to the greater of 100% and the 100 day volatility obtained from the HVT function on Bloomberg as of (A) the Trading Day immediately following the public announcement of the applicable Common Stock Equivalent if the issuance of such Common Stock Equivalent is publicly announced or (B) the Trading Day immediately following the issuance of the applicable Common Stock Equivalent if the issuance of such Common Stock Equivalent is not publicly announced, (iii) the underlying price per share used in such calculation shall be the highest VWAP of the Common Stock during the period beginning on the Trading Day prior to the execution of definitive documentation relating to the issuance of the applicable Common Stock Equivalent and ending on (A) the Trading Day immediately following the public announcement of such issuance, if the issuance of such Common Stock Equivalent is publicly announced or (B) the Trading Day immediately following the issuance of the applicable Common Stock Equivalent if the issuance of such Common Stock Equivalent is not publicly announced, (iv) a zero cost of borrow and (v) a 360 day annualization factor.

"Original Issue Date" shall have the meaning set forth in the preamble.

"Permitted Indebtedness" means (a) the Indebtedness evidenced by the Notes, (b) capital lease obligations and purchase money Indebtedness incurred in connection with the acquisition of machinery and equipment as long as such capital leases and Indebtedness are approved in advance by the Collateral Agent, (c) Indebtedness incurred in connection with the Cryptocurrency Transaction, and (d) Indebtedness of the Company to the directors and officers of the Company, including, without limitation, Indebtedness of the Company to David Lelong.

"Permitted Lien" means the individual and collective reference to the following: (a) Liens for taxes, assessments and other governmental charges or levies not yet due or Liens for taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established in accordance with GAAP, (b) Liens imposed by law which were incurred in the ordinary course of the Company's business, such as carriers', warehousemen's and mechanics' Liens, statutory landlords' Liens, and other similar Liens arising in the ordinary course of the Company's business, and which (x) do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Company and its consolidated Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing for the foreseeable future the forfeiture or sale of the property or asset subject to such Lien, and (c) Liens incurred in connection with Permitted Indebtedness under clauses (a) through (d) thereunder.

"Prepayment Amount" shall have the meaning set forth in the Section 4(c)(ix).

"Purchase Agreement" shall mean that certain Securities Purchase Agreement by and between the Company and the Holder, dated March ___, 2018.

"Purchase Rights" shall have the meaning set forth in the Section 5(c).

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

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

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

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

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

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

Section 2. Interest; Amortization Payments.

(a) Interest. Interest shall accrue to the Holder on the aggregate unconverted and then outstanding principal amount of this Note at the rate of ten percent (10%) per annum, calculated on the basis of a 360-day year and shall accrue daily commencing on the Original Issue Date until payment in full of the outstanding principal (or conversion to the extent applicable), together with all accrued and unpaid interest, liquidated damages and other amounts which may become due hereunder, has been made. Following an Event of Default, regardless of whether such Event of Default has been cured or remains ongoing, interest shall accrue at the lesser of (i) the rate of 24% per annum, or (ii) the maximum amount permitted by law (the lesser of clause (i) or (ii), the "Default Interest Rate").

(b) Security. The obligations of the Company under this Note are secured by the terms of the Security Agreement by and between the Company, the Holder, and_____, dated March ___, 2018, and the Insider Pledge Agreement by and between David Lelong and _____, dated November 17, 2017.

(c) Payment in Cash. All payments due hereunder shall be made in cash on the Maturity Date.

(d) Prepayment. The Notes may be prepaid at any time at an amount equal to (i) 120% of outstanding principal and accrued and unpaid interest during the period from the Original Issue Date through the 90th day following the Original Issue Date, and (ii) 130% of outstanding principal and accrued and unpaid interest during the period from the 91st day following the Original Issue Date through and including the Maturity Date. In order to prepay the Note, the Company shall provide 10 days' prior written notice to the Holder, during which time the Holder may convert the Note in whole or in part at the Conversion Price.

Section 3. Registration of Transfers and Exchanges.

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

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

(c) This Note may be transferred or exchanged only in compliance with the Purchase Agreement and applicable federal and state securities laws and regulations.

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

Section 4. Conversion.

(a) Voluntary Conversion. After the Original Issue Date and subject to prior prepayment until this Note is no longer outstanding, and provided that that the provisions of Rule 144 under the Securities Act so permit, this Note shall be convertible, in whole or in part, at any time, and from time to time, into shares of Common Stock at the option of the Holder ("Conversion"). The Holder shall effect conversions by delivering to the Company a Notice of Conversion, the form of which is attached hereto as Annex A (each, a "Notice of Conversion"), specifying therein the principal amount of this Note to be converted and the date on which such conversion shall be effected (such date, the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion is deemed delivered hereunder. No ink-original Notice of Conversion shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Conversion form be required. To effect conversions hereunder, the Holder shall not be required to physically surrender this Note to the Company unless the entire principal amount of this Note, plus all accrued and unpaid interest thereon, has been so converted. Conversions hereunder shall have the effect of lowering the outstanding principal amount of this Note in an amount equal to the applicable conversion. The Holder and the Company shall maintain records showing the principal amount(s) converted in each conversion, the date of each conversion, and the Conversion Price in effect at the time of each conversion. The Company may deliver an objection to any Notice of Conversion within one Business Day of delivery of such Notice of Conversion. In the event of any dispute or discrepancy, the records of the Holder shall be controlling and determinative in the absence of manifest error. **The Holder, and any registered assignee by acceptance of this**

Note, acknowledge and agree that, by reason of the provisions of this paragraph, following conversion of a portion of this Note, the unpaid and unconverted principal amount of this Note may be less than the amount stated on the face hereof.

(b) Conversion Price. The "Conversion Price" in effect on any Conversion Date means, as of any Conversion Date or other date of determination, fifty cents ($0.50) per share (subject to adjustment as provided herein), provided, however, that if an Event of Default has occurred, regardless of whether such Event of Default has been cured or remains ongoing, the Note shall be convertible at price equal to the lower of; (i) $0.50; or (ii) 60% of the lowest closing price during the prior twenty (20) Trading Days of the Common Stock as reported on the OTCQB or other principal Trading Market (the "Default Conversion Price").

(c) Mechanics of Conversion or Prepayment.

(i) Conversion Shares Issuable Upon Conversion of Principal Amount. The number of Conversion Shares issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note and accrued interest and other amounts due and owing under this Note to be converted by (y) the Conversion Price in effect at the time of such conversion.

(ii) Delivery of Certificate Upon Conversion. Not later than two (2) Trading Days after each Conversion Date (the "Share Delivery Date"), the Company shall deliver, or cause to be delivered, to the Holder any certificate or certificates required to be delivered by the Company under this Section 4(c) electronically through the Depository Trust Company or another established clearing corporation performing similar functions.

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

(iv) Obligation Absolute; Partial Liquidated Damages. The Company's obligations to issue and deliver the Conversion Shares upon conversion of this Note in accordance with the terms hereof is absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares; provided, however, that such delivery shall not operate as a waiver by the Company of any such action the Company may have against the Holder. In the event the Holder of this Note shall elect to convert any or all of the outstanding principal amount hereof, the Company may not refuse conversion based on any claim that the Holder or anyone associated or affiliated with the Holder has been engaged in any violation of law, agreement or for any other reason, unless an injunction from a court, on notice to Holder, restraining and or enjoining conversion or prepayment of all or part of this Note shall have been sought and obtained, and the Company posts a surety bond for the benefit of the Holder in the amount of 150% of the outstanding principal amount of this Note, which is subject to the injunction, which

bond shall remain in effect until the completion of arbitration/litigation of the underlying dispute and the proceeds of which shall be payable to the Holder to the extent it obtains judgment. In the absence of such injunction, the Company shall issue Conversion Shares. If the Company fails for any reason to deliver to the Holder such certificate or certificates pursuant to Section 4(c)(ii) by the Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of principal amount being converted, $10 per Trading Day (increasing to $20 per Trading Day on the fifth (5^{th}) Trading Day after such Conversion Date) for each Trading Day after such Share Delivery Date until such certificates are delivered or Holder rescinds such conversion. Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section 7 hereof for the Company's failure to deliver Conversion Shares within the period specified herein and the Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

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

(vi) Reservation of Shares Issuable Upon Conversion. The Company covenants that it will reserve and keep available out of its authorized and unissued shares of Common Stock for the purpose of issuances upon conversion of this Note (and other purposes further detailed in the Purchase Agreement), free from preemptive rights or any other actual contingent purchase rights of Persons other than the holder (and the other holders of the Notes), an amount of shares at least equal to the greater of: (i) five times the number of shares of Common Stock necessary to allow the Holder to convert this Note and accrued interest thereon to maturity in full; or (ii) 19.9% of the current shares of Common Stock outstanding. The Company

covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid and nonassessable.

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

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

(ix) Prepayment. Upon the Company giving notice of prepayment in accordance with Section 2(d), it shall within three Business Days deliver by Federal Express or other nationally recognized carrier, next business day delivery, a check for the principal and accrued interest (the "Prepayment Amount"), unless prior thereto it has received wire transfer instructions from the Holder within three Business Days of the giving of notice of prepayment in which case it shall wire transfer the Prepayment Amount in accordance with the instructions on the fourth Business Day after the giving of notice prepayment.

(d) Holder's Conversion Limitations. The Company shall not effect any conversion of this Note, and a Holder shall not have the right to convert any portion of this Note, to the extent that after giving effect to the conversion set forth on the applicable Notice of Conversion, the Holder (together with the Holder's Affiliates, and any Persons acting as a group together with the Holder or any of the Holder's Affiliates) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon conversion of this Note with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which are issuable upon (i) conversion of the remaining, unconverted principal amount of this Note beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein (including, without limitation, any other Notes) beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 4(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. To the extent that the limitation contained in this Section 4(d) applies, the determination of whether this Note is convertible (in relation to other securities owned by the Holder together with any Affiliates) and of which principal amount of this Note is convertible shall be in the sole discretion of the Holder, and the submission of a Notice of Conversion shall be deemed to be the Holder's determination of whether this Note may be converted (in relation to other securities owned

by the Holder together with any Affiliates) and which principal amount of this Note is convertible, in each case subject to the Beneficial Ownership Limitation. To ensure compliance with this restriction, the Holder will be deemed to represent to the Company each time it delivers a Notice of Conversion that such Notice of Conversion has not violated the restrictions set forth in this paragraph and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 4(d), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as stated in the most recent of the following: (i) the Company's most recent periodic or annual report filed with the SEC, as the case may be, (ii) a more recent public announcement by the Company, or (iii) a more recent written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two (2) Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Note, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon conversion of this Note held by the Holder. The Holder, upon not less than 61 days' prior notice to the Company, may increase the Beneficial Ownership Limitation provisions of this Section 4(d) solely with respect to the Holder's Note. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The Holder may also decrease the Beneficial Ownership Limitation provisions of this Section 4(d) solely with respect to the Holder's Note at any time, which decrease shall be effective immediately upon delivery of notice to the Company. The Beneficial Ownership Limitation provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 4(d) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation contained herein or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Note.

Section 5. Certain Adjustments.

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

(b) Subsequent Equity Sales. If, at any time, for so long as the Note or any amounts accrued and payable thereunder remain 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, any Common Stock or Common Stock Equivalents entitling any Person to acquire shares of Common Stock at an effective price per share that is lower than the Conversion Price then in effect (such lower price, the "Base Conversion Price" and each such issuance a "Dilutive Issuance"), then the Conversion Price shall be immediately reduced to equal the Base Conversion Price. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued.

If the price per share for which shares of Common Stock are sold, or may be issuable pursuant to any such Common Stock Equivalent, is less than the Conversion Price then in effect, or if, after any such issuance of Common Stock Equivalents, the price per share for which shares of Common Stock may be issuable thereafter is amended or adjusted, and such price as so amended shall be less than the Conversion Price in effect at the time of such amendment or adjustment, then the Conversion Price shall be adjusted upon each such issuance or amendment as provided in this Section 5(b). In case any Common Stock Equivalent is issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction, (x) the Common Stock Equivalents will be deemed to have been issued for the Option Value of such Common Stock Equivalents and (y) the other securities issued or sold in such integrated transaction shall be deemed to have been issued or sold for the difference of (I) the aggregate consideration received by the Company less any consideration paid or payable by the Company pursuant to the terms of such other securities of the Company, less (II) the Option Value. If any shares of Common Stock or Common Stock Equivalents are issued or sold or deemed to have been issued or sold for cash, the amount of such consideration received by the Company will be deemed to be the net amount received by the Company therefor. If any shares of Common Stock or Common Stock Equivalents are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company will be the VWAP of such public traded securities on the date of receipt. If any shares of Common Stock or Common Stock Equivalents are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such shares of Common Stock or Common Stock Equivalents, as the case may be.

If any holder of Common Stock or Common Stock Equivalents outstanding on the Original Issue Date or issued thereafter 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 then in effect, such issuance shall be deemed to have occurred for less than the Conversion Price on such date and such issuance shall be deemed to be a Dilutive Issuance.

If the Company enters into a Variable Rate Transaction the Company shall be deemed to have issued Common Stock or Common Stock Equivalents at the lowest possible conversion price at which such securities may be converted or exercised under the terms of such Variable Rate Transaction.

The Company shall notify the Holder in writing, no later than the Trading Day following the issuance of any Common Stock or Common Stock Equivalents subject to this Section 5(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "Dilutive Issuance Notice"). For purposes of clarification, whether or not the Company

provides a Dilutive Issuance Notice pursuant to this Section 5(b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Conversion Shares based upon the Base Conversion Price on or after the date of such Dilutive Issuance, regardless of whether the Holder accurately refers to the Base Conversion Price in the Notice of Conversion.

The provisions of this Section 5(b) shall apply each time a Dilutive Issuance occurs after the Original Issue Date for so long as the Note or any amounts accrued and payable thereunder remain outstanding, but any adjustment of the Conversion Price pursuant to this Section 5(b) shall be downward only. Notwithstanding the foregoing, no adjustment will be made under this Section 5(b) in respect of an Exempt Issuance.

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

(d) Pro Rata Distributions. During such time as this Note is outstanding, if the Company shall declare or make any dividend or other distribution of its assets or rights or warrants to acquire its assets, or subscribe for or purchase any security other than Common Stock, to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Note, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete conversion of this Note (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation with respect to the Company or any other publicly-traded corporation subject to Section 13(d) of the Exchange Act, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of common stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation with respect to the Company or any other publicly-traded corporation subject to Section 13(d) of the Exchange Act).

(e) Fundamental Transaction. If, at any time while this Note is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, (v) the Company , directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person whereby such other Person acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent conversion of this Note, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion immediately prior to the occurrence of such Fundamental Transaction (without regard to any limitation on the conversion of this Note), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Note is convertible immediately prior to such Fundamental Transaction (without regard to any limitation on the conversion of this Note). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one (1) share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Note following such Fundamental Transaction. Notwithstanding anything to the contrary, in the event of a Fundamental Transaction that is (1) an all cash transaction, (2) a "Rule 13e-3 transaction" as defined in Rule 13e-3 under the Exchange Act, or (3) a Fundamental Transaction involving a person or entity not traded on a national securities exchange or trading market (with such exchange or market including, without limitation, the Nasdaq Global Select Trading Market, the Nasdaq Global Market, or the Nasdaq Capital Market, The New York Stock Exchange, Inc., the NYSE American, LLC or the OTCQB), the Company or any Successor Entity shall, at the Holder's option, exercisable concurrently with the consummation of the Fundamental Transaction, purchase this Note from the Holder by paying to the Holder the higher of (i) an amount of cash equal to the Black Scholes Value of the outstanding principal of this Note, accrued interest on this Note and all other amounts due and payable under this Note, on the date of the consummation of such Fundamental Transaction, or (ii) the product of (a) the number of Conversion Shares issuable upon full conversion of this Note (without regard to any limitation on conversion of this Note) and (b) the positive difference between the cash per share paid in such Fundamental Transaction minus the then in effect Conversion Price. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Note and the other Transaction Documents (as defined in the Purchase Agreement) in accordance with the provisions of this Section 5(e) pursuant to written agreements in form and substance

reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the holder of this Note, deliver to the Holder in exchange for this Note a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Note which is convertible for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon conversion of this Note (without regard to any limitations on the conversion of this Note) prior to such Fundamental Transaction, and with a conversion price which applies the Conversion Price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such conversion price being for the purpose of protecting the economic value of this Note immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Note and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Note and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein. Notwithstanding anything in this Section 5(d), an Exempt Issuance shall not be deemed a Fundamental Transaction.

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

(g) Notice to the Holder.

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

(ii) Notice to Allow Conversion by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of this Note, and shall cause to be delivered to the Holder at its last address as it shall appear upon the Note Register, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification,

consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries (as determined in good faith by the Company), the Company or its successor shall simultaneously file such notice with the SEC pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to convert this Note during the 20-day period commencing on the date of such notice through the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 6. Negative Covenants. As long as any portion of this Note remains outstanding, unless the holders of 100% in principal amount of the then outstanding Notes shall have otherwise given prior written consent, the Company shall not, and shall not permit any of the Subsidiaries to, directly or indirectly:

(a) other than Permitted Indebtedness, enter into, create, incur, assume, guarantee or suffer to exist any indebtedness for borrowed money of any kind, including, but not limited to, a guarantee, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom;

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

(c) amend its charter documents, including, without limitation, its certificate of incorporation and bylaws, in any manner that materially and adversely affects any rights of the Holder (provided, however, the consent of the Holder shall not be required in connection with the first clause of the first sentence of Section 4(c)(vi) above);

(d) repay, repurchase or offer to repay, repurchase or otherwise acquire more than a de minimis number of shares of its Common Stock or Common Stock Equivalents other than: (a) as to the Conversion Shares as permitted or required under the Transaction Documents, or (b) in connection with the repurchasing of certain existing shareholders' equity;

(e) repay, repurchase or offer to repay, repurchase or otherwise acquire any Indebtedness other than Permitted Indebtedness or the Notes if on a pro-rata basis, other than regularly scheduled principal and interest payments as such terms are in effect as of the Original Issue Date, provided that such payments shall not be permitted if, at such time, or after giving effect to such payment, any Event of Default shall exist or occur;

(f) pay cash dividends or distributions on any equity securities of the Company;

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

(h) except in connection with an Exempt Issuance, issue any equity securities of the Company other than pursuant to the provisions of the Purchase Agreement, unless (A) such securities are issued at a purchase price (or applicable equivalent) in excess of $0.50 per share of Common Stock (subject to adjustment for stock splits, stock dividends, combinations and similar events), (B) the proceeds from the sale of such securities are first applied to the amounts outstanding and payable under the Notes issued pursuant to the Purchase Agreement and the satisfaction of all obligations related to the Transaction Documents, and (C) any registration statements filed by the Company with the SEC must cover the resale of the Commitment Shares; or

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

Section 7. Events of Default.

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

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

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

(iii) a default or event of default (subject to any grace or cure period provided in the applicable agreement, document or instrument) shall occur under (A) any of the Transaction Documents or (B) any other material agreement, lease, document or instrument to which the Company or any Subsidiary is obligated (and not covered by clause (vi) or (xii) below);

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

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

(vi) the Company or any Subsidiary shall default on any of its obligations under any mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced, any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement that (a) involves an

obligation greater than $5,000, whether such indebtedness now exists or shall hereafter be created, and (b) results in such indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable and such default is not cured within five Trading Days;

(vii) the Common Stock shall not be eligible for listing or quotation for trading on any Trading Market and shall not be eligible to resume listing or quotation for trading thereon within five Trading Days unless a Force Majure event has occurred;

(viii) the Company shall be a party to any Change of Control Transaction or shall agree to sell or dispose of all or in excess of 50% of its assets in one transaction or a series of related transactions (whether or not such sale would constitute a Change of Control Transaction);

(ix) the Company shall fail for any reason, except if caused by the action or inaction of the Holder to deliver certificates to a Holder prior to the second (2nd) Trading Day after a Conversion Date pursuant to Section 4(c) or the Company shall provide at any time notice to the Holder, including by way of public announcement, of the Company's intention to not honor requests for conversions of any Notes in accordance with the terms hereof; or

(x) any monetary judgment, writ or similar final process shall be entered or filed against the Company, any Subsidiary or any of their respective property or other assets for more than $25,000, and such judgment, writ or similar final process shall remain unvacated, unbonded or unstayed for a period of 10 calendar days.

(b) Remedies Upon Event of Default. If any Event of Default occurs and is not cured within 10 days after the giving of written notice, the outstanding principal amount of this Note, plus accrued but unpaid interest, liquidated damages and other amounts owing in respect thereof through the date of acceleration, shall become, at the Holder's election, immediately due and payable in cash at the Mandatory Default Amount. Upon the payment in full of the Mandatory Default Amount, the Holder shall promptly surrender this Note to or as directed by the Company. In connection with such acceleration described herein, the Holder need not provide, and the Company hereby waives, any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such acceleration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a holder of the Note until such time, if any, as the Holder receives full payment pursuant to this Section 7(b). No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

(c) Interest Rate Upon Event of Default. Commencing on the occurrence of any Event of Default and until such Event of Default is cured, this Note shall accrue interest at an interest rate equal to the Default Interest Rate.

(d) Conversion Price Upon Event of Default. Commencing on the occurrence of any Event of Default and until such Event of Default is cured, this Note shall be convertible at the Default Conversion Price.

Section 8. Miscellaneous.

(a) No Rights as Stockholder Until Conversion. This Note does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the conversion hereof other than as explicitly set forth in Section 5.

(b) Notices. All notices, offers, acceptance and any other acts under this Note (except payment) shall be in writing, and shall be sufficiently given if delivered to the addressees in person, by Federal Express or similar receipted next business day delivery, as follows:

If to the Company: Sport Endurance, Inc.
222 Broadway, 19th Floor
New York, New York 10038
Attention: David Lelong, President

with a copy to (that shall not constitute notice): Nason Yeager Gerson White & Lioce, P.A.
3001 PGA Boulevard, Suite 305
Palm Beach Gardens, FL 33410
Attention: Michael D. Harris, Esq.
Email: mharris@nasonyeager.com

If to Holder: _____
_____
_____
_____

If to another Holder: At the address set forth on such applicable Holder's Joinder Agreement.

or to such other address as any of them, by notice to the other may designate from time to time. Time shall be counted to, or from, as the case may be, the date of delivery.

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

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

(e) Exclusive Jurisdiction; Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or

its respective Affiliates, directors, officers, shareholders, employees or agents) shall only be commenced in the state and federal courts sitting in New York, York (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such New York Courts, or such New York Courts are improper or inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by applicable law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby.

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

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

(h) Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Note shall be cumulative and in addition to all other remedies available under this Note and any of the other Transaction Documents at law or in equity (including a decree of specific performance and/or other injunctive relief), and nothing herein shall limit the Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms of this Note. The Company covenants to the Holder that there shall be no characterization concerning this instrument other than as expressly provided herein. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause

irreparable harm to the Holder and that the remedy at law for any such breach would be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the Holder shall be entitled, in addition to all other available remedies, to an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required. The Company shall provide all information and documentation to the Holder that is requested by the Holder to enable the Holder to confirm the Company's compliance with the terms and conditions of this Note.

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

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

** Signature Pages Follow **

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed by a duly authorized officer as of the Original Issue Date.

SPORT ENDURANCE, INC.

By:_____
Name: David Lelong
Title: President

ANNEX A
NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 10% Senior Secured Convertible Promissory Note due December __, 2018 of Sport Endurance, Inc., a Nevada corporation (the "Company"), into shares of common stock (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares of Common Stock are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

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

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

Conversion calculations:

Date to Effect Conversion:

Principal Amount of Note to be Converted:

Payment of Interest in Common Stock __ yes __ no
If yes, $_____ of Interest Accrued on Account of Conversion at Issue.

Number of shares of Common Stock to be issued:

Signature:

Name:

DWAC Instructions:

Broker No:
Account No:

Schedule 1
CONVERSION SCHEDULE

The 10% Senior Secured Convertible Promissory Note due on December __, 2018 in the original principal amount of $777,202.07 is issued by Sport Endurance, Inc., a Nevada corporation. This Conversion Schedule reflects conversions made under Section 4 of the above referenced Note.

Dated:

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

Exhibit 4.4

Execution Copy

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

COMMON STOCK PURCHASE WARRANT

SPORT ENDURANCE, INC.

Warrant Shares: 1,554,405
Warrant No: 1 **Issuance Date: March ___, 2018**

THIS COMMON STOCK PURCHASE WARRANT (the "**Warrant**") certifies that, for value received, _____, or its registered assigns (the "**Holder**") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "**Exercise Date**") and on or prior to the close of business on the fifth (5th) year anniversary of the Initial Exercise Date (the "**Termination Date**") but not thereafter, to subscribe for and purchase from Sport Endurance, Inc., a Nevada corporation (the "**Company**"), up to 1,554,405 shares (as subject to adjustment hereunder, the "**Warrant Shares**") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "**Purchase Agreement**"), dated March ___, 2018, between the Company and the Holder and its assigns, and the secured promissory notes issued to the Holder in connection with the Purchase Agreement.

Section 2. Exercise.

a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy of the Notice of Exercise Form annexed hereto. Within two (2) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. Notwithstanding anything herein to the contrary (although the Holder may surrender the Warrant to, and receive a replacement Warrant from, the Company), the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within two (2) Trading Days of the

date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise Form within one (1) Trading Day of delivery of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be $0.01 (the "**Initial Exercise Price**"), subject to adjustment hereunder (as adjusted, the "**Exercise Price**"), payable, subject to Section 2(c) below, in immediately available funds.

c) Cashless Exercise. If at any time commencing after the Exercise Date, there is no effective registration statement registering, or no current prospectus available for the resale of all of the Warrant Shares that may be acquired pursuant to this Warrant by the Holder, then this Warrant may also be exercised at the Holder's election, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the VWAP on the Trading Day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

Notwithstanding anything herein to the contrary, on the Termination Date, unless the Holder notifies the Company otherwise, if there is no effective registration statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, then this Warrant shall be automatically exercised via cashless exercise pursuant to this Section 2(c).

d) Mechanics of Exercise.

i. Delivery of Certificates Upon Exercise. Certificates for shares purchased hereunder shall be transmitted by the Company's transfer agent for its Common Stock (the "**Transfer Agent**") to the Holder by crediting the account of the Holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("**DWAC**") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) this Warrant is being exercised via cashless exercise and Rule 144 is available, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise by the date that is two (2) Trading Days after the latest of (A) the delivery to the Company of the Notice of Exercise, (B) surrender of this Warrant (if required) and (C) payment of the aggregate Exercise Price as set forth above (including by cashless exercise, if permitted) (such date, the "**Warrant Share Delivery Date**"). The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid. The Company understands that a delay in the delivery of the Warrant Shares after the Warrant Share Delivery Date could result in economic loss to the Holder. As compensation to the Holder for such loss, the Company agrees to pay (as liquidated damages and

not as a penalty) to the Holder for late issuance of Warrant Shares upon exercise of this Warrant the proportionate amount of $10 per Trading Day (increasing to $20 per Trading Day after the fifth (5th) Trading Day) after the Warrant Share Delivery Date for each $1,000 of Exercise Price of Warrant Shares for which this Warrant is exercised which are not timely delivered. The Company shall pay any payments incurred under this Section in immediately available funds upon demand. Furthermore, in addition to any other remedies which may be available to the Holder, in the event that the Company fails for any reason to effect delivery of the Warrant Shares by the Warrant Share Delivery Date, the Holder may revoke all or part of the relevant Warrant exercise by delivery of a notice to such effect to the Company, whereupon the Company and the Holder shall each be restored to their respective positions immediately prior to the exercise of the relevant portion of this Warrant, except that the liquidated damages described above shall be payable through the date notice of revocation or rescission is given to the Company.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the certificate or certificates representing Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right, at any time prior to issuance of such Warrant Shares, to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder a certificate or the certificates representing the Warrant Shares pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election,

either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event certificates for Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 hereof or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two (2) Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder may decrease the Beneficial Ownership Limitation at any time and the Holder, upon not less than 61 days' prior notice to the Company, may increase the Beneficial Ownership Limitation provisions of this Section 2(e) solely with respect to the Holder's Warrant. Any such increase will not be effective until the 61st day after such notice is delivered to

the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant or pursuant to any of the other Transaction Documents), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) Subsequent Equity Sales. If the Company or any Subsidiary thereof, as applicable, at any time while this Warrant is outstanding, shall sell or grant any option to purchase, or sell or grant any right to reprice, or otherwise issue (or announce any offer, sale, grant or any option to purchase or other disposition) any Common Stock or Common Stock Equivalents, at an effective price per share less than the Exercise Price then in effect, excluding Exempt Issuances as defined in the Purchase Agreement (such lower price, the "**Base Share Price**" and such issuances collectively, a "**Dilutive Issuance**") (it being understood and agreed that if the holder of the Common Stock or 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 less than the Exercise Price, such issuance shall be deemed to have occurred for less than the Exercise Price on such date of the Dilutive Issuance at such effective price), then simultaneously with the consummation of each Dilutive Issuance the Exercise Price shall be reduced and only reduced to equal the Base Share Price and the number of Warrant Shares issuable hereunder shall be increased such that the aggregate Exercise Price payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price prior to such adjustment. Such adjustment shall be made whenever such Common Stock or Common Stock Equivalents are issued. Notwithstanding the foregoing, no adjustments shall be made, paid or issued under this Section 3(b) in respect of an Exempt Issuance. The Company shall notify the Holder, in writing, no later than the Trading Day following the issuance or deemed issuance of any Common Stock or Common Stock Equivalents subject to this Section 3(b), indicating therein the applicable issuance price, or applicable reset price, exchange price, conversion price and other pricing terms (such notice, the "**Dilutive Issuance Notice**"). For purposes of clarification, whether or not the Company provides a Dilutive Issuance Notice pursuant to this Section 3(b), upon the occurrence of any Dilutive Issuance, the Holder is entitled to receive a number of Warrant Shares based upon the Base Share Price regardless of whether the Holder accurately refers to the Base Share Price in the Notice of Exercise. If the Company enters into a Variable Rate Transaction, despite the prohibition thereon in the Purchase Agreement, the Company shall be deemed to have issued Common Stock or Common Stock Equivalents at the lowest possible conversion or exercise price at which such securities may be converted or exercised. Notwithstanding the foregoing, the issuance of any Common Stock or Common Stock Equivalents pursuant to the Purchase Agreement or the other Transaction Documents shall not be deemed a Dilutive Issuance

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock,

warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "**Purchase Rights**"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. If the Company, at any time while this Warrant is outstanding, shall distribute to all holders of Common Stock (and not to the Holder) evidences of its indebtedness or assets (including cash and cash dividends) or rights or warrants to subscribe for or purchase any security other than the Common Stock (which shall be subject to Section 3(c)), then in each such case the Exercise Price shall be adjusted by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then per share fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holder of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "**Fundamental Transaction**"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "**Alternate Consideration**") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of

Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "**Successor Entity**") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant 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 Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest whole share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, to the extent that such information constitutes material non-public information (as determined in good faith by the Company) the Company shall follow the procedure described in Section 4.6 of the Purchase Agreement and shall deliver to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for

securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

g) Increase in Warrant Shares. In the event the Exercise Price is reduced for any reason, including but not limited to pursuant to Section 3(e) of this Warrant the number of Warrant Shares issuable hereunder shall be increased such that the aggregate Exercise Price payable hereunder, after taking into account the decrease in the Exercise Price, shall be equal to the aggregate Exercise Price prior to such adjustment.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws and the provisions of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 6. Definitions.

a) "**Affiliate**" shall mean as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise. For purposes of this definition, a Person shall be deemed to be "**controlled by**" a Person if such latter Person possesses, directly or indirectly, power to vote 10% or more of the securities having ordinary voting power for the election of directors of such former Person.

b) "**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.

c) "**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 the 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 in the "pink sheets" by the OTC Markets Group LLC. 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. All such determinations to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

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

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

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

g) "**Principal Market**" means OTC Market or the principal securities exchange or securities market on which the Common Stock is then quoted or traded.

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

i) "**Subsidiary**" means any subsidiary of the Company including any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

j) "**Trading Day**" means any day on which the 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 Common Stock are scheduled to trade on such exchange or market for less than 4.5 hours or any day that the 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).

k) "**Voting Stock**" of a person means capital stock of such person of the class or classes pursuant to which the holders thereof have the general voting power to elect, or the general power to appoint, at least a majority of the board of directors, managers, trustees or other similar governing body of such person (irrespective of whether or not at the time capital stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

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

Section 7. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i).

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

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

d) Authorized Shares. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue). Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use

commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant. Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e) Jurisdiction. All questions concerning governing law, jurisdiction, venue and the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, or unless exercised in a cashless exercise when Rule 144 is available, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.

g) Non-waiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holders of not less than a majority of the outstanding Warrants issued pursuant to the Purchase Agreement.

m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

****

(Signature Page Follows)

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

SPORT ENDURANCE, INC.

By:_____
Name: David Lelong
Title: Chief Executive Officer

NOTICE OF EXERCISE

TO: SPORT ENDURANCE, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] [if permitted] the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

(4) After giving effect to this Notice of Exercise, the undersigned will not have exceeded the Beneficial Ownership Limitation.

The Warrant Shares shall be delivered to the following DWAC Account Number or by physical delivery of a certificate to:

_____

_____

_____

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____
Signature of Authorized Signatory of Investing Entity: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____
Date: _____

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

SPORT ENDURANCE, INC.

FOR VALUE RECEIVED, [____] all of or [_____] shares of the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____.

_____

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.1

Execution copy

NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT (the "**Agreement**") is made and entered into as of March 12, 2018 (the "**Effective Date**") by and among Sport Endurance, Inc., a Nevada corporation, (the "**Guarantor**"), Yield Endurance, Inc., a New Jersey corporation, (the "**Company**), and the Purchaser set forth on the signature page affixed hereto (the "**Purchaser**").

W I T N E S S E T H:

WHEREAS, in consideration for the Purchase Price (as defined below), upon the terms and conditions set forth in this Agreement, the Company desires to sell to the Purchaser, and the Purchaser desires to purchase, a secured demand promissory note subject to an original issue discount in the amount of Five Million and 00/100 Dollars ($5,000,000), in the face amount of Five Million Five Hundred Thousand and 00/100 Dollars ($5,500,000) substantially in the form attached hereto as **Exhibit A** (the "**Note**"); and

WHEREAS, the Guarantor has agreed to guarantee the Obligations, as such term is defined in the Security Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Sale and Purchase of the Note.

(a) *Issuance of the Note.* Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties, covenants and agreements contained in this Agreement, the Company hereby sells to the Purchaser, and the Purchaser hereby irrevocably purchases from the Company, the Note (the principal amount of $5,500,000 subject to an original issue discount of $500,000) in consideration for Five Million and 00/100 Dollars ($5,000,000) (the "**Purchase Price**") as provided in Section 1(c). The Note will be registered in the Purchaser's name in the Company's records.

(b) *Delivery.* The sale and purchase of the Note shall take place on the date hereof (the "**Closing Date**") at a closing (the "**Closing**") to be held at such place and time as the Company and Purchaser may determine. On or prior to Closing, the parties shall deliver the items set forth in Section 1(f) of this Agreement.

(c) *BTC Delivery at Closing.* Within 24 hours of the Closing, the Purchaser shall deliver to the Company, or to a third party depository for the benefit of the Company $5,000,000 of Bitcoin ("**BTC**"), as detailed below, owned by Purchaser. The exchange rate for such BTC will be calculated at the actual purchase rates incurred by the Purchaser or its subsidiary for the purchase of the BTC. Simultaneously with this Agreement, the Company is entering into a Confidential BTC Lending Program Participation Agreement (the "**BTC Lending Agreement**") with Madison Partners, LLC, a Delaware limited liability company (the "**Depository**"). By the delivery of the BTC to the Company or the Depository, the Purchaser shall vest good, valid and marketable title to the BTC in and to the Company, which shall have the power to convey title pursuant to the BTC Lending Agreement.

(d) *Security Interest.* The Note shall be secured by a first priority security interest in all of the assets of the Companyand Guarantor pursuant to the terms set forth in a security agreement by and among the Company, Guarantor and the Purchaser (the "**Security Agreement**").

(e) *Payments.* The Company will make all payments due and owing under the Note in accordance with the terms and conditions regarding timing set forth in the Note and with instructions as to the manner and means for making such payments provided by the Purchaser in writing, or in such other manner, as the Purchaser may from time to time direct in writing.

2. Closing.

(a) *Company Deliverables.* On or prior to the Closing Date, the Company shall deliver or cause to be delivered to the Purchaser and the Depository, as applicable, the following:

(i) this Agreement duly executed by the Company and the Guarantor to the Purchaser;

(ii) a Note, in the form of **Exhibit A,** registered in the name of such Purchaser;

(iii) a warrant registered in the name of the Purchaser to purchase up to 25,000,000 shares of Common Stock of Guarantor, substantially in the form attached hereto as **Exhibit B** (the "**Warrant**" and together with the shares of the Guarantor's common stock (the "**Common Stock**") underlying such Warrant, the "**Securities**");

(iv) the Security Agreement, in the form of **Exhibit C,** duly executed by the Purchaser, the Company and the Guarantor;(v) The Guaranty, in the form of **Exhibit D,** duly executed by the Guarantor;

(vi) the Account Control Agreement, in the form of **Exhibit E**, duly executed by the Depository and Company;

(vii) the BTC Lending Agreement, in the form of **Exhibit F,** duly executed by the Depository and the Company;

(viii) legal opinion substantially in the form reasonably acceptable to the Purchaser;

(ix) The Company shall have delivered a certificate, executed on behalf of the Company by its Chief Financial Officer, dated as of the date hereof, certifying to the fulfillment of the conditions specified in Section 2(g) hereof; and

(x) The Company shall have delivered a certificate, executed on behalf of the Company by its Secretary, dated as of the date hereof, certifying the resolutions

adopted by the Board of Directors of the Company approving the transactions contemplated by this Agreement and the other Transaction Documents (as defined herein) and the issuance of the Note, certifying the current versions of the Articles of Incorporation and Bylaws of the Company and certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Company.

This Agreement, the Note, the Warrant, the Security Agreement, the Guaranty, the Account Control Agreement, and the BTC Lending Program Participation Agreement are collectively referred to as the **Transaction Documents**;

(b) *Purchaser Deliverables.* In connection with the Closing, the Purchaser shall deliver or cause to be delivered the following:

(i) this Agreement duly executed by such Purchaser to the Company, on or prior to the Closing;

(ii) evidence that such Purchaser's Purchase Price has been delivered to the Company or the Depository in BTC under the Account Control Agreement within 24 hours of the Closing.

(c) *Closing Conditions.* The obligations of the Purchaser hereunder to effect the Closing, unless waived, are subject to the following conditions being met:

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

(ii) all conditions, obligations, covenants and agreements of Company under this Agreement required to be performed in all material respects at or prior to the Closing Date shall have been performed; and

(iii) all Required Approvals, as defined in Section 3(g) of this Agreement, obligations, covenants and agreements of the Company required to be performed under this Agreement at or prior to the Closing Date shall have been performed;

(iv) the delivery by the Company of the items set forth in Section 2(a) of this Agreement; and

(v) there shall have been no Material Adverse Effect with respect to the Company since the date hereof and on the Closing Date.

3. Representations and Warranties of the Company and the Guarantor. Except as set forth in the disclosure letter, which letter shall be deemed a part hereof (the "**Disclosure Letter**"), the Company and the Guarantor, hereby jointly and severally, make the following representations and warranties to each Purchaser:

(a) *Subsidiaries*. The Guarantor has no direct and indirect subsidiaries except for the Company (the "**Subsidiaries**").

(b) *Organization and Qualification.* The Guarantor and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Guarantor 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 Guarantor and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Guarantor and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Guarantor's or the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "**Material Adverse Effect**") and, no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

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

(d) *No Conflicts*. The execution, delivery and performance by the Guarantor and the Company of this Agreement and the other Transaction Documents to which each is a party, the issuance and sale of the Note, the Guaranty, and the Securities and the consummation by each of the transactions contemplated hereby and thereby to which each is a party do not and will not: (i) conflict with or violate any provision of the Guarantor's or any Subsidiary's certificate or articles of incorporation, organizational or charter documents, (ii) subject to Required Approvals, conflict

with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any lien upon any of the properties or assets of the Guarantor or the Company, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Except as disclosed on Section 3(e) of the Disclosure Letter, neither the Company nor the Guarantor is required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other provincial or foreign or domestic federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Guarantor or the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 3(g) of this Agreement, and (ii) the filing of a Form D with the Securities and Exchange Commission (the "**Commission**") and applicable state securities laws (collectively, the "**Required Approvals**").

(f) Capitalization. The capitalization of the Guarantor is as set forth in Section 3(f) of the Disclosure Letter. The Guarantor has not issued any capital stock since its most recently filed report under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), other than pursuant to the exercise of employee stock options under the Guarantor's stock plans, the issuance of shares of Common Stock to employees pursuant to such stock plans and pursuant to the conversion and/or exercise of Common Stock equivalents including convertible notes outstanding as of the date of the most recently filed periodic report under the Exchange Act. No Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by the Transaction Documents. Except as disclosed on Section 3(f) of the Disclosure Letter, there are no outstanding options, warrants, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exercisable or exchangeable for, or giving any Person any right to subscribe for or acquire any shares of Common Stock, or material contracts, commitments, understandings or arrangements by which the Guarantor or any Subsidiary is or may become bound to issue additional shares of Common Stock or Common Stock equivalents. Except as set forth on Section 3(f) of the Disclosure Letter, the issuance and sale of the Note and/or the Securities will not obligate the Guarantor to issue shares of Common Stock or other securities to any Person (other than the Purchaser) and will not result in a right of any holder of Guarantor securities to adjust the exercise, conversion, exchange or reset price under any of such securities. All of the outstanding shares of capital stock of the Guarantor are duly authorized, validly issued, fully paid and nonassessable, have been issued in material compliance with all federal and state securities laws, and none of such outstanding shares was issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities. No further approval or authorization of any

stockholder, the Board of Directors of the Guarantor or the Company or others is required for the issuance and sale of the Note and/or the Securities. Except as disclosed on Section 3(f) of the Disclosure Letter, there are no stockholders agreements, voting agreements or other similar agreements with respect to the Guarantor's capital stock to which the Guarantor is a party or, to the knowledge of the Guarantor, between or among any of the Guarantor's stockholders.

(g) *Form 8-K; Financial Statements*. The Guarantor files reports under Section 15(d) of the Exchange Act and has filed all reports, schedules, forms, statements and other documents required to be filed under Sections 15(d) thereof (assuming it was required to file reports under Section 15(d)), for the six (6) months preceding the date hereof. The Form 8-K described in Section 4(e), upon its filing, will comply in all material respects with the requirements of the Exchange Act, and will 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 the light of the circumstances under which they were made, not misleading. Except as set forth in Section 3(g) of the Disclosure Letter, the latest audited financial statements of the Guarantor included in the Guarantor's filings with the Securities and Exchange Commission ("**SEC Reports**"), if any, comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("**GAAP**"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP and are subject to normal, immaterial, year-end audit adjustments, and fairly present in all material respects the financial position of the Guarantor and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(h) *Material Changes; Undisclosed Events, Liabilities or Developments.* Except as disclosed in the Disclosure Letter, or in the SEC Reports since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed not later than five (5) Trading Days prior to the date hereof: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) neither the Guarantor nor the Company has incurred any liabilities (contingent or otherwise) other than (A) trade payables, and accrued expenses incurred in the ordinary course of business consistent with past practice, (B) transaction expenses incurred in connection with the Transaction Documents, and (C) liabilities not required to be reflected in the Guarantor's financial statements pursuant to GAAP or disclosed in filings made with the Commission, (iii) neither the Guarantor nor the Company has altered its method of accounting, (iv) neither the Guarantor nor the Company has declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) neither the Guarantor nor the Company has issued any equity securities to any officer, director or affiliate. The Guarantor does not have pending before the Commission any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as disclosed on Section 3(h) of the Disclosure Letter, no event, liability, fact, circumstance, occurrence or development has occurred or exists, or is reasonably expected to occur or exist, with respect to the Guarantor or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition,

that would be required to be disclosed by the Guarantor under applicable Securities Laws at the time this representation is made or deemed made that has not been publicly disclosed at least one (1) Trading Day prior to the date that this representation is made.

(i) *Litigation*. Except as set forth in the Disclosure Letter, or in the SEC Reports, to the knowledge of the Guarantor, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor, any subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "**Action**") that would, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect, nor to the knowledge of the Guarantor is there any reasonable basis for any such Action that would, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. To the knowledge of the Guarantor, there is not pending or contemplated, any investigation by the Commission involving the Guarantor or, to the knowledge of the Guarantor, any current or former director or officer of the Guarantor, nor any current or former officer, director, control person, principal shareholder, or creditor with respect to the relationship of any of the foregoing to the Guarantor. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Guarantor or any Subsidiary under the Exchange Act or the Securities Act.

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

(k) *Title to Assets*. The Guarantor and the Subsidiaries have good and marketable title in fee simple to all real property owned by them and good and marketable title in all personal property owned by them that is material to the business of the Guarantor and the Subsidiaries, in each case free and clear of all liens, except for permitted liens as disclosed on Section (k) of the Disclosure Letter ("**Permitted Liens**"). Any real property and facilities held under lease by the Guarantor and the Subsidiaries are held by them under valid, subsisting and enforceable leases with which the Guarantor and the Subsidiaries are in compliance, except where the non-compliance would not reasonably be expected to result in a Material Adverse Effect.

(l) *Agreements*. Section 3(l) of the Disclosure Letter contains a complete and accurate list of all material contracts relating to the Guarantor's intellectual property rights to which the Guarantor is a party or by which the Guarantor is bound, except for any license implied by the sale

of a product and perpetual, paid-up licenses for commonly available software programs with a value of less than $100,000 under which the Guarantor is the licensee. There are no outstanding and, to Guarantor's knowledge, no threatened disputes or disagreements with respect to any such agreement.

(m) *Know-How Necessary for the Business.* To the Guarantor's knowledge and except as otherwise set forth in in Section 3(m) of the Disclosure Letter, the Guarantor's intellectual property rights are all those necessary for the operation of the Guarantor's businesses as it is currently conducted or as represented, in writing, to the Purchasers to be conducted. To the Guarantor's knowledge and except as otherwise set forth in in Section 3(m) of the Disclosure Letter: the Guarantor is the owner of all right, title, and interest in and to each of the Guarantor's intellectual property rights, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims, and has the right to use all of the Guarantor's intellectual property rights, subject in each case to Permitted Liens.

(n) *Insurance*. The Guarantor and the Subsidiaries will acquire $1,000,000 of insurance coverage at reasonable cost as may be necessary to continue its business.

(o) *Transactions With Affiliates and Employees*. Except as set forth in Section 3(o) of the Disclosure Letter, none of the officers or directors of the Guarantor or any Subsidiary and, to the knowledge of the Guarantor, none of the employees of the Guarantor or any Subsidiary is presently a party to any transaction with the Guarantor or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Guarantor, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $50,000 other than for: (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Guarantor or in accordance with the past practices of the Guarantor and; (iii) other employee benefits, including stock option agreements under the Guarantor's stock plans.

(p) *Money Laundering*. To the knowledge of the Guarantor, the operations of the Guarantor and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Guarantor or any Subsidiary with respect to the Money Laundering Laws is pending or, to the knowledge of the Guarantor or any Subsidiary, threatened, nor is there, to the knowledge of the Guarantor or any Subsidiary, any reasonable basis for any of the foregoing.

(q) *Certain Fees*. Except as set forth in Section 3(q) of the Disclosure Letter, no brokerage, finder's fees, commissions or due diligence fees are or will be payable by the Guarantor or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the

Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section 3(q) that may be due in connection with the transactions contemplated by the Transaction Documents other than any fees or obligations incurred by the Purchaser.

(r) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 5, registration under the Securities Act is not required for the offer and sale of the Note or the Warrant by the Guarantor to the Purchaser as contemplated hereby. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Trading Market, as defined in Section 4(d)(i).

(s) Investment Company. The Guarantor is not, and is not an affiliate of, and immediately after the Closing Date, will not be or be an affiliate of, an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

(t) Registration Rights. Except as set forth in Section 3(t) of the Disclosure Letter, and other than the Purchaser, no Person has any right to cause the Guarantor to effect the registration under the Securities Act of any securities of the Guarantor or any Subsidiary.

(u) Listing and Maintenance Requirements. The Common Stock of the Guarantor is listed on the OTCQB under the symbol "SENZ". Except as set forth in Section 3(u) of the Disclosure Letter, the Guarantor has not, preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Guarantor is not in compliance with the listing or maintenance requirements of such Trading Market.

(v) Application of Takeover Protections. The Company and the Board of Directors of the Guarantor will have taken no later than 45 days following the Closing Date all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Guarantor's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is applicable to the Purchaser as a result of the Purchaser's and the Guarantor fulfilling their obligations or exercising their rights under the Transaction Documents, including without limitation as a result of the Guarantor's issuance of the Note and Warrants and the Purchasers' ownership thereof.

(w) Disclosure. Except as otherwise set forth in in Section 3(w) of the Disclosure Letter, all of the disclosure in the SEC Reports, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The Guarantor acknowledges and agrees that no Purchaser makes or has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 5 hereof.

(x) No Integrated Offering. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 5 hereof, neither the Guarantor, nor, to the knowledge of the Guarantor, any of its affiliates, nor any Person acting on its or, to the knowledge of the Guarantor,

their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities by the Guarantor to be integrated with prior offerings by the Guarantor for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market (as defined herein) on which any of the securities of the Guarantor are listed or designated.

(y) Bankruptcy; Indebtedness. Neither the Guarantor nor the Company has knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Neither the Guarantor nor the Company is in default with respect to its Indebtedness. For the purposes of this Agreement, "Indebtedness" means (x) any liabilities for borrowed money or amounts owed in excess of $100,000 (other than trade accounts payable incurred in the ordinary course of business), (y) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Guarantor's consolidated 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 (z) the present value of any lease payments in excess of $100,000 due under leases required to be capitalized in accordance with GAAP.

(z) Tax Status. Except as disclosed in Section 3(z) of the Disclosure Letter and except for matters that would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect, the Guarantor and its Subsidiaries each (i) has made or filed all required United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. Except as disclosed in Section 3(z) of the Disclosure Letter, there are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Guarantor or of any Subsidiary know of no reasonable basis for any such claim.

(aa) No General Solicitation. Neither the Guarantor nor, to the knowledge of the Guarantor, any person acting on behalf of the Guarantor has offered or sold any of the Securities by any form of general solicitation or general advertising. The Guarantor has offered the Securities for sale only to the Purchaser within the meaning of Rule 501 under the Securities Act.

(bb) Foreign Corrupt Practices. To the knowledge of the Company, neither the Guarantor nor any Subsidiary, nor to the knowledge of the Guarantor or any Subsidiary, any agent or other person acting on behalf of the Guarantor or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Guarantor or any Subsidiary (or made by any person acting on its behalf of which the Guarantor is aware) which is

in violation of law or (iv) violated in any material respect any provision of Foreign Corrupt Practices Act of 1977, as amended.

(cc) Accountants. The Guarantor's accounting firm is set forth in Section 3(cc) of the Disclosure Letter. To the knowledge and belief of the Guarantor, such accounting firm is registered with the Public Company Accounting Oversight Board, and shall express its opinion with respect to the financial statements to be included in the Guarantor's Annual Report for the fiscal year ending August 31, 2018.

(dd) Acknowledgment Regarding Purchaser's Trading Activity. Anything in this Agreement or elsewhere herein to the contrary notwithstanding, it is understood and acknowledged by the Guarantor that: (i) the Purchaser has not been asked by the Guarantor to agree, nor has the Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Guarantor, or "derivative" securities based on securities issued by the Guarantor or to hold the Securities for any specified term, (ii) past or future open market or other transactions by any Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this Agreement or future private placement transactions, may negatively impact the market price of the Guarantor's publicly-traded securities, (iii) the Purchaser, and counter-parties in "derivative" transactions to which the Purchaser is a party, directly or indirectly, may presently have a "short" position in the Common Stock and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Guarantor further understands and acknowledges that (y) the Purchaser may engage in hedging activities in accordance with all applicable laws at various times during the period that the Securities are outstanding, including, without limitation, during the periods that the value of any underlying shares deliverable with respect to Securities are being determined, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Guarantor at and after the time that the hedging activities are being conducted. The Guarantor acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

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

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

(gg) Reporting Company/Shell Company. The Guarantor is a publicly-held company which voluntarily files reports under Section 13(a) of the Exchange Act. Pursuant to the provisions of the Exchange Act, except as disclosed in Section 3(gg) of the Disclosure Letter, the Guarantor

has timely filed all reports and other materials required to be filed by the Guarantor thereunder with the SEC during the preceding twelve (12) months assuming the Guarantor was so required. The Guarantor has not been informed by the Commission that as of the date hereof the Guarantor is a "shell company" as that term is employed under Rule 144 under the Securities Act.

(hh) Sarbanes-Oxley; Internal Accounting Controls. To the knowledge of the Guarantor, except as disclosed in Section 3(hh) of the Disclosure Letter, the Guarantor and the Subsidiaries are in material compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the Commission thereunder that are effective as of the date hereof and as of the Closing Date. Except as disclosed in Section 3(hh) of the Disclosure Letter, the Guarantor and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in Section 3(hh) of the Disclosure Letter, the Guarantor and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Guarantor and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Guarantor in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. The Guarantor's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the Guarantor and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "**Evaluation Date**"). The Guarantor presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Guarantor and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Guarantor and its Subsidiaries.

(ii) No Disqualification Events. With respect to the Note and the Warrants to be offered and sold hereunder in reliance on Rule 506 under the Securities Act, none of the Guarantor, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Guarantor participating in the offering hereunder, any beneficial owner of 20% or more of the Guarantor'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 Guarantor in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") 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 Guarantor has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Guarantor has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and will furnish to the Purchasers a copy of any disclosures provided thereunder.

(jj) *The Company's Recent Organization.* The Company was incorporated in New Jersey on March 2, 2018, has nominal assets and has not entered into any agreements prior to the date hereof or incurred any liabilities. The Company's sole shareholder is the Guarantor.

4. Additional Agreements of the Parties

(a) *Treasury Function*. The Company acknowledges that the Depository shall have the sole and exclusive right to determine the manner in which the proceeds of the Purchase Price is held (e.g. in Bitcoin, fiat currency or otherwise) and to make all short term investment decisions regarding the Note.

(b) *Indemnification.* The Company and the Guarantor will indemnify and hold harmless the Purchaser and, if applicable, its directors, officers, employees, agents, advisors and shareholders (each, an "**Indemnitee**"), from and against any and all loss, liability, claim, damage and expense whatsoever (including, but not limited to, any and all fees, costs and expenses whatsoever reasonably incurred in investigating, preparing or defending against any claim, lawsuit, administrative proceeding or investigation whether commenced or threatened) (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 in the Transaction Documents, (ii) any breach of any covenant, agreement or obligation of the Guarantor or the Company 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 Guarantor) or which otherwise involves such Indemnitee that arises out of or results from the willful misconduct or gross negligence of the Guarantor or the Company in connection with (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 sale of the Note, or (C) the status of the Holder either as an investor in the Guarantor 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 Guarantor or 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.

(c) *Legal Representation*. Each Party hereby acknowledges that it has freely and voluntarily entered into this Agreement after an adequate opportunity and sufficient period of time to review, analyze, and discuss (i) all terms and conditions of this Agreement, (ii) any and all other documents executed and delivered in connection with the transactions contemplated by this Agreement, and (iii) all factual and legal matters relevant to this Agreement and/or any and all such other documents, with counsel freely and independently selected by such party (or had the opportunity to be represented by counsel). Each Party further acknowledges and agrees, after consultation and review with its counsel (or had the opportunity to be represented by counsel), that all of the terms and conditions of this Agreement and the other documents executed and delivered in connection with this Agreement have been negotiated at arm's-length, and that this Agreement and all such other documents have been negotiated, prepared, and executed without fraud, duress,

undue influence, or coercion of any kind or nature whatsoever having been exerted by or imposed upon any party by any other party. No provision of this Agreement or such other documents shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured, dictated, or drafted such provision.

(d) Right of First Refusal. Except with respect to an Exempt Issuance, from the date hereof until the date that is the one (1) year anniversary of the Closing, upon any issuance by the Guarantor of its Common Stock, Common Stock equivalents or debt for cash consideration, or a combination of units thereof (a "**Subsequent Financing**"), the Purchaser shall have the right to participate in up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing on the same terms, conditions and price provided for in the Subsequent Financing. Exempt Issuance shall mean: (i) shares of Common Stock, restricted stock units or standard options to purchase Common Stock issued to directors, officers, employees of or consultants to the Guarantor in their capacity as such pursuant to the 2017 Equity Incentive Plan (the "**Plan**") and shares of Common Stock issued upon exercise of the options , provided that) the exercise price of any such options is not lowered (except resulting from a stock dividend or stock split), none of such options are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such options are otherwise materially changed in any manner that adversely affects the Purchase; (ii) shares of Common Stock issued upon the conversion or exercise of Convertible Securities (other than standard options to purchase Common Stock issued pursuant to the Plan that are covered by clause (i) above) issued prior to the date hereof, provided that the conversion, exercise or other method of issuance (as the case may be) of any such Convertible Security is made solely pursuant to the conversion, exercise or other method of issuance (as the case may be) provisions of such Convertible Security that were in effect on the date immediately prior to the date of this Agreement, the conversion, exercise or issuance price of any such Convertible Securities (other than standard options to purchase Common Stock issued pursuant to the Plan that are covered by clause (i) above) is not lowered, none of such Convertible Securities (other than standard options to purchase Common Stock issued pursuant to the Plan that are covered by clause (i) above) are amended to increase the number of shares issuable thereunder and none of the terms or conditions of any such Convertible Securities (other than standard options to purchase Common Stock issued pursuant to the Plan that are covered by clause (i) above) are otherwise materially changed in any manner that adversely affects a the Purchaser; (iii) the Warrant Shares, ((iv) shares of Common Stock or other securities issued in connection with any commercial agreement or strategic acquisition or transaction whether through an acquisition of stock or a merger of any business, assets or technologies the primary purpose of which is not to raise equity capital subject to the Purchaser's prior written approval, (v) shares of Common Stock and Warrants (including units consisting solely of Common Stock and Warrants) issued to a licensed broker-dealer acting as underwriter or placement agent as commissions or fees in a financing transaction subject to the Purchaser's prior written approval; and (vi) securities issued to _____ and Common Stock issued upon conversion, exercise or exchange of such securities to_____.

(i) At least three Trading Days prior to the closing of any Subsequent Financing, the Guarantor shall deliver to the Purchaser a written notice of its intention to effect a Subsequent Financing ("**Pre-Notice**"), which Pre-Notice shall ask the Purchaser if it wants to review the details of such financing (such additional

notice, a "**Subsequent Financing Notice**"). Upon the request of the Purchaser, and only upon a request by such Purchaser, for a Subsequent Financing Notice, the Guarantor shall promptly, but no later than one Trading Day after such request, deliver a Subsequent Financing Notice to the Purchaser. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the 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. "**Trading Day**" means a day on which the principal Trading Market is open for trading "**Trading Market**" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, or any market operated by OTC Markets, Inc. (or any successors to any of the foregoing).

(ii) If the Purchaser desires to participate in such Subsequent Financing, the Purchaser must provide written notice to the Guarantor that the Purchaser is willing to participate in the Subsequent Financing, the amount of the Purchaser's participation, and representing and warranting that the Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice.

(iii) If notifications by the Purchaser of its 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 Guarantor may effect the remaining portion of such Subsequent Financing on the terms and with the Persons set forth in the Subsequent Financing Notice.

(iv) The Guarantor must provide the Purchaser with a second Subsequent Financing Notice, and the Purchaser will again have the right of participation set forth above in this Section 4(d), 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 30 Trading Days after the date of the initial Subsequent Financing Notice.

(v) The Guarantor and the Purchaser agree that if the Purchaser elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision whereby the Purchaser shall be required to agree to any restrictions on trading as to any securities issued hereunder 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 the Purchaser.

(e) *Securities Laws Disclosure; Publicity.* The Guarantor shall (a) by 9:00 a.m. (eastern time) on the third (3d) Trading Day immediately following the date hereof, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) file a Current Report on Form 8-K, including the Transaction Documents as exhibits thereto, with the

Commission within the time required by the Exchange Act. The Guarantor and the Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Guarantor nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Guarantor, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Guarantor, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Guarantor shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, except (a) as required by federal securities law in connection with the filing of final Transaction Documents (including signature pages thereto) with the Commission and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Guarantor shall provide the Purchasers with prior notice of such disclosure permitted under this Agreement.

(f) *Events of Default*. The Company shall be in default under this Agreement upon the occurrence of any Event of Default as defined in the Note. Furthermore, any default under the terms, conditions, covenants, representations and warranties contained herein shall also be deemed to be an "**Event of Default**."

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

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

(b) principal for its own account and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities. Such Purchaser is purchasing the Note and the Securities hereunder in the ordinary course of its business.

(c) *Purchaser Status*. At the time such Purchaser was offered the Note and the Securities, it was, and as of the date hereof it is, either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional Purchaser" as defined in Rule 144A(a) under the Securities Act. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act.

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

(e) *Access to Information.* Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and, subject to the Guarantor's need to comply with Regulation FD, has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company and the Guarantor concerning the terms and conditions of the offering of the Note and the merits and risks of investing in the Note; (ii) access to information about the Company and the Guarantor and their financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Guarantor possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

(f) *Confidentiality*. Other than to other Persons party to this Agreement, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction).

(g) *Estimates; Forward-Looking Statements*. The Purchaser acknowledges that any and all estimates or forward-looking statements or projections with which it may have been provided (collectively, the "**Information**") were prepared by the Guarantor in good faith, but that the attainment of any such projections, estimates or forward-looking statements cannot be guaranteed, will not be updated by the Guarantor and should not be relied upon. The Purchaser further acknowledges that any and all Information regarding the historical performance of the Guarantor is not necessarily indicative of future performance.

(h) *No Representations*. No oral or written representations have been made, or oral or written information furnished, to the Purchaser or its advisors, if any, in connection with the sale of the Note which is in any way inconsistent with the information contained in this Agreement.

(i) *General Solicitation*. The Purchaser is not purchasing the Note as a result of any advertisement, article, notice or other communication regarding the Note published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to our knowledge, any other general solicitation or general advertisement.

6. Miscellaneous.

(a) *Entire Agreement.* This Agreement constitutes the entire agreement of the parties, superseding and terminating any and all prior or contemporaneous oral and written agreements, understandings or letters of intent between or among the parties with respect to the subject matter of this Agreement. No part of this Agreement may be modified or amended, nor may any right be waived, except by a written instrument which expressly refers to this Agreement, states that it is a modification or amendment of this Agreement and is signed by the parties to this Agreement, or, in the case of waiver, by the party granting the waiver. No course of conduct or dealing or trade or custom and no course of performance shall be relied on or referred to by any party to contradict, explain or supplement any provision of this Agreement, it being acknowledged by the parties to this Agreement that this Agreement is intended to be, and is, the complete and exclusive statement of the Agreement with respect to its subject matter. Any waiver shall be limited to the express terms thereof and shall not be construed as a waiver of any other provisions or the same provisions at any other time or under any other circumstances.

(b) *Severability*. If any section, term or provision of this Agreement shall to any extent be held or determined to be invalid or unenforceable, the remaining sections, terms and provisions shall nevertheless continue in full force and effect.

(c) *Notices*. All notices provided for in this Agreement shall be in writing signed by the party giving such notice, and delivered personally or sent by overnight courier, or against receipt thereof, email or similar means of communication if receipt is confirmed or if transmission of such notice is confirmed by mail as provided in this Section 6(c). Notices shall be deemed to have been received on the date of personal delivery or other receipt. All notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be deemed given upon receipt by the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Guarantor: Sport Endurance, Inc.
101 Hudson Street, 21st Floor
Jersey City, New Jersey 07302
Attention: David Lelong
Email: david@sportendurancehq.com

If to the Company: Yield Endurance, Inc.
101 Hudson Street, 21st Floor
Jersey City, New Jersey 07302
Attention: David Lelong
Email: david@sportendurancehq.com

With a copy to: Nason, Yeager, Gerson, White & Lioce, P.A.
3001 PGA Boulevard, Suite 305
Palm Beach Gardens, FL 33410
Attention: Michael D. Harris, Esq.
Email: mharris@nasonyeager.com

If to the Purchaser:

With a copy to:

(d) *Governing Law*. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois applicable to agreements executed and to be performed wholly within such State, without regard to any principles of conflicts of law. Each of the parties hereby irrevocably consents and agrees that any legal or equitable action or proceeding arising under or in connection with this Agreement shall be brought in the federal or state courts located in the County of Cook in the State of Illinois, by execution and delivery of this Agreement, irrevocably submits to and accepts the jurisdiction of said courts, (iii) waives any defense that such court is not a convenient forum, and (iv) consents to any service of process made either (x) in the manner set forth in Section 6(c) of this Agreement (other than by telecopier), or (y) any other method of service permitted by law.

(e) *Waiver of Jury Trial*. EACH PARTY HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN THE EVENT OF ANY SUIT, ACTION OR PROCEEDING TO ENFORCE THIS AGREEMENT OR ANY OTHER ACTION OR PROCEEDING WHICH MAY ARISE OUT OF OR IN ANY WAY BE CONNECTED WITH THIS AGREEMENT OR ANY OF THE OTHER DOCUMENTS.

(f) *Parties to Pay Own Expenses; Legal Fees*. Each of the parties to this Agreement shall be responsible and liable for its own expenses incurred in connection with the preparation of this Agreement, the consummation of the transactions contemplated by this Agreement and related expenses, except that the Guarantor acknowledges and agrees to pay attorney's fees to the Purchaser's counsel in connection with the preparation of this Agreement, the Note and the transactions contemplated thereby as set forth in the Note.

(g) *Successors*. This Agreement shall be binding upon the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns; provided, however, that neither party may assign this Agreement or any of its rights under this Agreement without the prior written consent of the other party.

(h) *Further Assurances.* Each party to this Agreement agrees, without cost or expense to any other party, to deliver or cause to be delivered such other documents and instruments as may be reasonably requested by any other party to this Agreement in order to carry out more fully the provisions of, and to consummate the transaction contemplated by, this Agreement.

(i) *Counterparts*. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. This Agreement may also be executed via facsimile or by e-mail delivery of a ".pdf" format data file, which shall be deemed an original.

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

(k) *Headings*. The headings in the Sections of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement.

[Remainder of page intentionally left blank]

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

SPORT ENDURANCE INC.

By: _____
Name: David Lelong
Title: Chief Executive Officer

YIELD ENDURANCE, INC.

By: _____
Name: David Lelong
Title: Chief Executive Officer

By: _____
Name:
Title:

Exhibit 10.2

Execution copy

GUARANTY

This GUARANTY, dated as of March 12, 2018 (this "**Guaranty**"), is made by Sports Endurance, Inc., a Nevada corporation (the "**Guarantor**"), in favor of _____ (together with its permitted assigns, the "Secured Party"), party to that certain Note Purchase Agreement (the "Purchase Agreement"), dated as of the date hereof, among Yield Endurance, Inc., a New Jersey corporation (the "Company") and the Secured Party.

W I T N E S S E T H:

WHEREAS, pursuant to the Purchase Agreement, the Company has agreed to sell and issue to the Secured Party, and the Secured Party has agreed to purchase from the Company the original issue discount secured demand promissory note dated as of the date hereof (the "Note") by and between the Secured Party and the Company, subject to the terms and conditions set forth therein.

WHEREAS, the Purchase Agreement requires that the Guarantor execute and deliver to the Secured Party, (i) a guaranty guaranteeing all of the obligations of the Company under the Purchase Agreement, the Note and the other Transaction Documents (as defined in the Purchase Agreement); and (ii) a Security Agreement, dated as of the date hereof, granting the Secured Party a lien on and security interest in all of its assets and properties (the "**Security Agreement**"); and

WHEREAS, the Guarantor has determined that the execution, delivery and performance of this Guaranty directly benefits, and is in its best interest.

NOW, THEREFORE, in consideration of the premises and the agreements herein and in order to induce the Secured Party to perform under the Purchase Agreement, the Guarantor hereby agrees with the Secured Party as follows:

SECTION 1. Definitions. Reference is hereby made to the Purchase Agreement and the Note for a statement of the terms thereof. All terms used in this Guaranty and the recitals hereto which are defined in the Purchase Agreement or the Note, and which are not otherwise defined herein shall have the same meanings herein as set forth therein. In addition, the following terms when used in the Guaranty shall have the meanings set forth below:

"**Bankruptcy Code**" means Chapter 11 of Title 11 of the United States Code, 11 U.S.C §§ 101 et seq. (or other applicable bankruptcy, insolvency or similar laws).

"**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in Chicago, Illinois are authorized or required by law to remain closed.

"**Capital Stock**" means (i) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock (including, without limitation, any warrants, options, rights or other securities exercisable or convertible into equity interests or securities of such Person), and (ii) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests of such Person.

"Collateral" means all assets and properties of the Company and the Guarantor, wherever located and whether now or hereafter existing and whether now owned or hereafter acquired, of every kind and description, tangible or intangible, including, without limitation, the collateral described in Section 2 of the Security Agreement.

"**Company**" shall have the meaning set forth in the recitals hereto.

"**Governmental Authority**" means any nation or government, any Federal, state, city, town, municipality, county, local, foreign or other political subdivision thereof or thereto and any department, commission, board, bureau, instrumentality, agency or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"**Guaranteed Obligations**" shall have the meaning set forth in Section 2 of this Guaranty.

"**Guarantor**" or "**Guarantors**" shall have the meaning set forth in the recitals hereto.

"**Indemnified Party**" shall have the meaning set forth in Section 13(a) of this Guaranty.

"**Insolvency Proceeding**" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, or extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"**Note**" shall have the meaning set forth in the recitals hereto.

"**Obligations**" shall have the meaning set forth in Section 3 of the Security Agreement.

"**Other Taxes**" shall have the meaning set forth in Section 12(a)(iv) of this Guaranty.

"**Paid in Full" or "Payment in Full**" means the indefeasible payment in full in cash of all of the Guaranteed Obligations.

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

"**Purchase Agreement**" shall have the meaning set forth in the first paragraph hereto.

"**Security Agreement**" shall have the meaning set forth in the recitals hereto.

"**Subsidiary"** means any Person in which a Guarantor 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, "**Subsidiaries**".

"**Taxes**" shall have the meaning set forth in Section 12(a) of this Guaranty.

"**Transaction Party**" means the Company and the Guarantor, collectively, "**Transaction Parties**".

SECTION 2. Guaranty.

(a) The Guarantor hereby unconditionally and irrevocably, guarantees to the Secured Party, the punctual payment, as and when due and payable, by stated maturity or otherwise, of all Obligations, including, without limitation, all interest, make-whole and other amounts that accrue after the commencement of any Insolvency Proceeding of the Company whether or not the payment of such interest, make-whole and/or other amounts are enforceable or are allowable in such Insolvency Proceeding, and all fees, interest, premiums, penalties, causes of actions, costs, commissions, expense reimbursements, indemnifications and all other amounts due or to become due under any of the Transaction Documents (all of the foregoing collectively being the "**Guaranteed Obligations**"), and agrees to pay any and all costs and expenses (including counsel fees and expenses) incurred by the Secured Party in enforcing any rights under this Guaranty or any other Transaction Document. Without limiting the generality of the foregoing, each Guarantor's liability hereunder shall extend to all amounts that constitute part of the Guaranteed Obligations and would be owed by the Company to the Secured Party under the Purchase Agreement and the Note but for the fact that they are unenforceable or not allowable due to the existence of an Insolvency Proceeding involving any Transaction Party.

(b) The Guarantor, and by its acceptance of this Guaranty, the Secured Party hereby confirms that it is the intention of all such Persons that this Guaranty and the Guaranteed Obligations of the Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal, provincial, state, or other applicable law to the extent applicable to this Guaranty and the Guaranteed Obligations of the Guarantor hereunder. To effectuate the foregoing intention, the Secured Party and the Guarantor hereby irrevocably agree that the Guaranteed Obligations of the Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the Guaranteed Obligations of the Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance.

SECTION 3. Guaranty Absolute; Continuing Guaranty; Assignments.

(a) The Guarantor guarantees that the Guaranteed Obligations will be paid strictly in accordance with the terms of the Transaction Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Secured Party with respect thereto. The obligation of Secured Party under this Guaranty are independent of the Guaranteed Obligations, and a separate action or actions may be brought and prosecuted against any Guarantor to enforce such obligations, irrespective of whether any action is brought against any Transaction Party or whether any Transaction Party is joined in any such action or actions. The liability of the Guarantor under this Guaranty shall be as a primary obligor (and not merely as a surety) and shall be irrevocable, absolute and unconditional irrespective of, and the Guarantor hereby irrevocably waives, to the extent permitted by law, any defenses it may now or hereafter have in any way relating to, any or all of the following:

(i) any lack of validity or enforceability of any Transaction Document;

(ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Transaction Document, including, without limitation, any increase in the Guaranteed Obligations resulting from the extension of additional credit to any Transaction Party or extension of the maturity of any Guaranteed Obligations or otherwise;

(iii) any taking, exchange, release or non-perfection of any Collateral;

(iv) any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;

(v) any change, restructuring or termination of the corporate, limited liability company or partnership structure or existence of any Transaction Party;

(vi) any manner of application of Collateral or any other collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any Collateral or any other collateral for all or any of the Guaranteed Obligations or any other Obligations of any Transaction Party under the Transaction Documents or any other assets of any Transaction Party or any of its Subsidiaries;

(vii) any failure of Secured Party to disclose to any Transaction Party any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Transaction Party now or hereafter known to Secured Party (the Guarantor waiving any duty on the part of the Secured Party to disclose such information);

(viii) taking any action in furtherance of the release of the Guarantor or any other Person that is liable for the Obligations from all or any part of any liability arising under or in connection with any Transaction Document without the prior written consent of the Secured Party; or

(ix) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by the Secured Party that might otherwise constitute a defense available to, or a discharge of, any Transaction Party or any other guarantor or surety.

(b) This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the Secured Party, or any other Person upon the insolvency, bankruptcy or reorganization of any Transaction Party or otherwise, all as though such payment had not been made.

(c) This Guaranty is a continuing guaranty and shall (i) remain in full force and effect until Payment in Full of the Guaranteed Obligations (other than inchoate indemnity obligations) and shall not terminate for any reason prior to the Maturity Date of the Note (other than Payment in Full of the Guaranteed Obligations) and (ii) be binding upon each Guarantor and its respective successors and assigns. This Guaranty shall inure to the benefit of and be enforceable by Secured Party, and its respective successors, and permitted pledgees, transferees and assigns. Without limiting the generality of the foregoing sentence, the Secured Party may pledge, assign or

otherwise transfer all or any portion of its rights and obligations under and subject to the terms of any Transaction Document to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Secured Party (as applicable) herein or otherwise, in each case as provided in the Purchase Agreement or such Transaction Document.

SECTION 4. Waivers. To the extent permitted by applicable law, Guarantor hereby waives promptness, diligence, protest, notice of acceptance and any other notice or formality of any kind with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that the Secured Party exhaust any right or take any action against any Transaction Party or any other Person or any Collateral. The Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Purchase Agreement and that the waiver set forth in this Section 4 is knowingly made in contemplation of such benefits. The Guarantor hereby waives any right to revoke this Guaranty, and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future. Without limiting the foregoing, to the extent permitted by applicable law, the Guarantor hereby unconditionally and irrevocably waives (a) any defense arising by reason of any claim or defense based upon an election of remedies by Secured Party that in any manner impairs, reduces, releases or otherwise adversely affects the subrogation, reimbursement, exoneration, contribution or indemnification rights of Guarantor or other rights of Guarantor to proceed against any of the other Transaction Parties, any other guarantor or any other Person or any Collateral, and (b) any defense based on any right of set-off or counterclaim against or in respect of the Guaranteed Obligations of such Guarantor hereunder. The Guarantor hereby unconditionally and irrevocably waives any duty on the part of the Secured Party to disclose to the Guarantor any matter, fact or thing relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any other Transaction Party or any of its Subsidiaries now or hereafter known by the Secured Party.

SECTION 5. Subrogation. Guarantor may not exercise any rights that it may now or hereafter acquire against any Transaction Party or any other guarantor that arise from the existence, payment, performance or enforcement of any Guarantor's obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Secured Party against any Transaction Party or any other guarantor or any Collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Transaction Party or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until there has been Payment in Full of the Guaranteed Obligations. If any amount shall be paid to Guarantor in violation of the immediately preceding sentence at any time prior to Payment in Full of the Guaranteed Obligations and all other amounts payable under this Guaranty, such amount shall be held in trust for the benefit of the Secured Party and shall forthwith be paid to the Secured Party to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Transaction Document, or to be held as Collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (a) Guarantor shall make payment to the Secured Party of all or any part of the Guaranteed Obligations, and (b) there has been Payment in Full of the Guaranteed Obligations, the Secured Party will, at Guarantor's request and expense, execute and deliver to Guarantor

appropriate documents, without recourse and without representation or warranty, necessary to evidence the transfer by subrogation to Guarantor of an interest in the Guaranteed Obligations resulting from such payment by Guarantor.

SECTION 6. Representations, Warranties and Covenants.

(a) The Guarantor hereby represents and warrants as of the date first written above as follows:

(i) Guarantor (A) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization as set forth on the signature pages hereto, (B) has all requisite corporate, limited liability company or limited partnership power and authority to conduct its business as now conducted and as presently contemplated and to execute, deliver and perform its obligations under this Guaranty and each other Transaction Document to which Guarantor is a party, and to consummate the transactions contemplated hereby and thereby and (C) is duly qualified to do business and is 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 except where the failure to be so qualified (individually or in the aggregate) would not result in a Material Adverse Effect.

(ii) The execution, delivery and performance by Guarantor of this Guaranty and each other Transaction Document to which Guarantor is a party (A) have been duly authorized by all necessary corporate, limited liability company or limited partnership action, (B) do not and will not contravene its charter, articles, certificate of formation or by-laws, its limited liability company or operating agreement or its certificate of partnership or partnership agreement, as applicable, or any applicable law or any contractual restriction binding on such Guarantor or its properties do not and will not result in or require the creation of any lien, security interest or encumbrance (other than pursuant to any Transaction Document) upon or with respect to any of its properties, and (C) do not and will not result in any default, noncompliance, suspension, revocation, impairment, forfeiture or nonrenewal of any material permit, license, authorization or approval applicable to it or its operations or any of its properties.

(iii) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person is required in connection with the due execution, delivery and performance by Guarantor of this Guaranty or any of the other Transaction Documents to which Guarantor is a party (other than expressly provided for in any of the Transaction Documents).

(iv) This Guaranty has been duly executed and delivered and is, and each of the other Transaction Documents to which Guarantor is or will be a party, when executed and delivered, will be, a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, except as may be limited by the Bankruptcy Code or other applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, suretyship or similar laws and equitable principles (regardless of whether enforcement is sought in equity or at law).

(v) There is no pending or, to the best knowledge of Guarantor, threatened action, suit or proceeding against Guarantor or to which any of the properties of such Guarantor is subject, before any court or other Governmental Authority or any arbitrator that (A) if adversely determined, could reasonably be expected to have a Material Adverse Effect or (B) relates to this Guaranty or any of the other Transaction Documents to which Guarantor is a party or any transaction contemplated hereby or thereby.

(vi) Guarantor (A) has read and understands the terms and conditions of the Purchase Agreement and the other Transaction Documents, and (B) now has and will continue to have independent means of obtaining information concerning the affairs, financial condition and business of the Company and the other Transaction Parties, and has no need of, or right to obtain from the Secured Party, any credit or other information concerning the affairs, financial condition or business of the Company or the other Transaction Parties.

(vii) There are no conditions precedent to the effectiveness of this Guaranty that have not been satisfied or waived.

(b) Guarantor covenants and agrees that until Payment in Full of the Guaranteed Obligations, it will comply with each of the covenants (except to the extent applicable only to a public company) which are set forth in Section 4 of the Purchase Agreement as if Guarantor were a party thereto.

SECTION 7. Right of Set-off. Upon the occurrence and during the continuance of any Event of Default, the Secured Party may, and is hereby authorized to, at any time and from time to time, without notice to the Guarantor (any such notice being expressly waived by the Guarantor) and to the fullest extent permitted by law, set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Secured Party to or for the credit or the account of the Guarantor against any and all obligations of the Guarantor now or hereafter existing under this Guaranty or any other Transaction Document, irrespective of whether or not the Secured Party shall have made any demand under this Guaranty or any other Transaction Document and although such obligations may be contingent or unmatured. The Secured Party agrees to notify the Guarantor promptly after any such set-off and application made by the Secured Party, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Secured Party under this Section 7 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Secured Party may have under this Guaranty or any other Transaction Document in law or otherwise.

SECTION 8. Limitation on Guaranteed Obligations.

(a) Notwithstanding any provision herein contained to the contrary, the Guarantor's liability hereunder shall be limited to an amount not to exceed as of any date of determination the greater of:

(i) the amount of all Guaranteed Obligations, plus interest thereon at the applicable Interest Rate as specified in the Note; and

(ii) the amount which could be claimed by the Secured Party from the Guarantor under this Guaranty without rendering such claim voidable or avoidable under the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law after taking into account, among other things, Guarantor's right of contribution and indemnification.

(b) The Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guaranty hereunder or affecting the rights and remedies of the Secured Party hereunder or under applicable law.

(c) No payment made by the Company, Guarantor, any other guarantor or any other Person or received or collected by the Secured Party from the Company, the Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Guaranteed Obligations or any payment received or collected from such Guarantor in respect of the Guaranteed Obligations), remain liable for the Guaranteed Obligations up to the maximum liability of such Guarantor hereunder until after all of the Guaranteed Obligations and all other amounts payable under this Guaranty shall have been Paid in Full.

SECTION 9. Notices, Etc. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Guaranty must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one (1) Business Day after deposit with an nationally recognized overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same. All notices and other communications provided for hereunder shall be sent, if to Guarantor, to the Company's address and/or facsimile number, or if to the Secured Party, to it at its respective address and/or facsimile number, each as set forth in Section 6(c) of the Purchase Agreement.

SECTION 10. Governing Law; Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Guaranty shall be governed by the internal laws of the State of Illinois, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Illinois or any other jurisdictions) that would cause the application of the laws of any jurisdiction other than the State of Illinois. Guarantor hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in Cook County, Illinois, 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, obligation or defense 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 Section 6(c) of the Purchase 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 the Secured Party from bringing suit or taking other legal action against Guarantor in any other jurisdiction to collect on Guarantor's obligations or to enforce a judgment or other court ruling in favor of the Secured Party.

SECTION 11. WAIVER OF JURY TRIAL, ETC. GUARANTOR 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 GUARANTY, ANY OTHER TRANSACTION DOCUMENT OR ANY TRANSACTION CONTEMPLATED HEREBY OR THEREBY.

SECTION 12. Taxes.

(a) All payments made by Guarantor hereunder or under any other Transaction Document shall be made in accordance with the terms of the respective Transaction Document and shall be made without set-off, counterclaim, withholding, deduction or other defense. Without limiting the foregoing, all such payments shall be made free and clear of and without deduction or withholding for any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the net income of the Secured Party by the jurisdiction in which the Secured Party is organized or where it has its principal lending office (all such nonexcluded taxes, levies, imposts, deductions, charges, withholdings and liabilities, collectively or individually, "**Taxes**"). If Guarantor shall be required to deduct or to withhold any Taxes from or in respect of any amount payable hereunder or under any other Transaction Document:

(i) the amount so payable shall be increased to the extent necessary so that after making all required deductions and withholdings (including Taxes on amounts payable to the Secured Party pursuant to this sentence) the Secured Party receives an amount equal to the sum it would have received had no such deduction or withholding been made,

(ii) Guarantor shall make such deduction or withholding,

(iii) Guarantor shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law, and

(iv) as promptly as possible thereafter, Guarantor shall send the Secured Party an official receipt (or, if an official receipt is not available, such other documentation as shall be satisfactory to the Secured Party, as the case may be) showing payment. In addition, Guarantor agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies that arise from any payment made hereunder or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Guaranty or any other Transaction Document (collectively, "**Other Taxes**").

(b) Guarantor hereby indemnifies and agrees to hold each Indemnified Party harmless from and against Taxes or Other Taxes (including, without limitation, any Taxes or Other

Taxes imposed by any jurisdiction on amounts payable under this Section 12) paid by any Indemnified Party as a result of any payment made hereunder or from the execution, delivery, registration or enforcement of, or otherwise with respect to, this Guaranty or any other Transaction Document, and any liability (including penalties, interest and expenses for nonpayment, late payment or otherwise) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be paid within thirty (30) days from the date on which the Secured Party makes written demand therefor, which demand shall identify the nature and amount of such Taxes or Other Taxes.

SECTION 13. Indemnification.

(a) Without limitation of any other obligations of Guarantor or remedies of the Secured Party under this Guaranty or applicable law, except to the extent resulting from such Indemnified Party's gross negligence or willful misconduct, as determined by a final judgment of a court of competent jurisdiction no longer subject to appeal, Guarantor shall, to the fullest extent permitted by law, indemnify, defend and save and hold harmless the Secured Party and each of its affiliates, officers, directors, employees, agents and advisors (each, an "**Indemnified Party**") from and against, and shall pay on demand, any and all claims, damages, losses, liabilities and expenses (including, without limitation, reasonable fees and expenses of counsel) that may be incurred by or asserted or awarded against any Indemnified Party in connection with or as a result of any failure of any Guaranteed Obligations to be the legal, valid and binding obligations of any Transaction Party enforceable against such Transaction Party in accordance with their terms.

(b) Guarantor hereby also agrees that none of the Indemnified Parties shall have any liability (whether direct or indirect, in contract, tort or otherwise) or any fiduciary duty or obligation to Guarantor or any of its respective affiliates, officers, directors, employees, agents and advisors, and Guarantor hereby agrees not to assert any claim against any Indemnified Party on any theory of liability, for special, indirect, consequential, incidental or punitive damages arising out of or otherwise relating to the facilities, the actual or proposed use of the proceeds of the advances, the Transaction Documents or any of the transactions contemplated by the Transaction Documents.

SECTION 14. Miscellaneous.

(a) Guarantor will make each payment hereunder in lawful money of the United States of America and in immediately available funds to the Secured Party, at such address specified by the Secured Party from time to time by notice to the Guarantor.

(b) No amendment or waiver of any provision of this Guaranty and no consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Guarantor, and the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(c) No failure on the part of the Secured Party to exercise, and no delay in exercising, any right or remedy hereunder or under any other Transaction Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder or under any Transaction Document preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies of the Secured Party provided herein and in the other

Transaction Documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law. The rights and remedies of the Secured Party under any Transaction Document against any party thereto are not conditional or contingent on any attempt by the Secured Party to exercise any of its rights or remedies under any other Transaction Document against such party or against any other Person.

(d) Any provision of this Guaranty that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(e) This Guaranty is a continuing guaranty and shall (i) remain in full force and effect until Payment in Full of the Guaranteed Obligations (other than inchoate indemnity obligations) and shall not terminate for any reason prior to the Maturity Date of the Note (other than Payment in Full of the Guaranteed Obligations) and (ii) be binding upon the Guarantor and its respective successors and assigns. This Guaranty shall inure, together with all rights and remedies of the Secured Party hereunder, to the benefit of and be enforceable by the Secured Party, and its successors, and permitted pledgees, transferees and assigns. Without limiting the generality of the foregoing sentence, the Secured Party may pledge, assign or otherwise transfer all or any portion of its rights and obligations under and subject to the terms of the Purchase Agreement or any other Transaction Document to any other Person in accordance with the terms thereof, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Secured Party herein or otherwise, in each case as provided in the Purchase Agreement or such Transaction Document. None of the rights or obligations of the Guarantor hereunder may be assigned or otherwise transferred without the prior written consent of the Secured Party.

(f) This Guaranty and the other Transaction Documents reflect the entire understanding of the transaction contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, entered into before the date hereof.

(g) Section headings herein are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose.

SECTION 15. Currency Indemnity.

If, for the purpose of obtaining or enforcing judgment against the Guarantor in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 15 referred to as the "**Judgment Currency**") an amount due under this Guaranty in any currency (the "**Obligation Currency**") other than the Judgment Currency, the conversion shall be made at the rate of exchange prevailing on the Business Day immediately preceding (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of the jurisdiction that will give effect to such conversion being made on such date, or (b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the applicable date as of which such conversion is made pursuant to this Section 15 being hereinafter in this Section 15 referred to as the "**Judgment Conversion Date**").

If, in the case of any proceeding in the court of any jurisdiction referred to in the preceding paragraph, there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual receipt of the amount due in immediately available funds, the Guarantor shall pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount actually received in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Obligation Currency which could have been purchased with the amount of the Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date. Any amount due from the Guarantor under this Section 15 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 Guaranty.

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IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed by its respective duly authorized officer, as of the date first above written.

GUARANTOR:
SPORT ENDURANCE, INC.

By: _____
Name: David Lelong
Title: President and CEO

CONFIDENTIAL BTC LENDING PROGRAM PARTICIPATION AGREEMENT

This CONFIDENTIAL BTC LENDING PROGRAM PARTICIPATION AGREEMENT (this "**Agreement**") is entered into on March 12, 2018 (the "**Effective Date**"), by and between Yield Endurance, Inc., a New Jersey corporation with an office at 101 Hudson Street, 21st Floor, Jersey City, New Jersey 07302 (the "**Company**"), and Madison Partners, LLC, a Delaware limited liability company having a primary place of business at 200 S. Wacker Dr. Suite 3211, Chicago, IL, 60606 ("**Madison**").

RECITALS

WHEREAS, Madison owns certain business methods, licenses and techniques associated with Bitcoin assets ("**BTC**") for loan to third parties and wishes to grant to the Company the non-exclusive right to utilize its methods and techniques to identify, qualify and loan BTC to third parties; and

WHEREAS, the Company owns BTC and wishes to engage in the business of BTC lending through Madison for such purposes.

NOW IT IS THEREFORE RESOLVED, that in consideration for the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as set forth herein.

AGREEMENT

1. Definitions

"Affiliate" means, with respect to any Person (as defined herein), any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such Person. For purposes of this Agreement, "**control**" shall mean, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise (and the terms "controlled by" and "under common control with" shall have correlative meanings).

"Bitcoin" means the type of virtual currency based on an open source cryptographic protocol existing on the Bitcoin Network.

"Bitcoin Address" means an identifier of 26-34 alphanumeric characters that represents a possible destination for a transfer of Bitcoin.

"Business Day" means a day when banks are open for business in the State of Illinois excluding weekends.

"Company's Initial Return" means ten (10%) percent of the Participation Income (as defined herein) in any calendar month or partial month (either a "**Calendar Month**").

"Company Participation Percentage" for any particular Calendar Month means fifty (50%) percent of the Participation Income in excess of ten (10%) percent during any Calendar Month, in each case.

"Deductible Expenses," for any particular Calendar Month, means all out-of-pocket costs incurred by Madison or its Affiliates where such costs are directly incurred from BTC lending on behalf of the Company, including, payments to miners and taxing authorities for taxes other than income taxes.

"**Lender**" means _____.

"Madison Participation Percentage" for any particular Calendar Month means fifty (50%) percent of the Participation Income in excess of ten (10%) percent during any Calendar Month, in each case.

"Participation Income" for any particular Calendar Month means Madison's gross fees received for such Calendar Month as a result of BTC lending solely attributable to BTC delivered by or on behalf of the Company minus the Deductible Expenses. All calculations of "Participation Income" shall be made in accordance with U.S. generally accepted accounting principles as in effect from time to time.

"Person" means a person, corporation, partnership, limited liability company, joint venture, trust or other entity or organization.

2. DEPOSIT OF BTC

2.1 The Company (as bailor) shall deliver or cause to be delivered BTC in an initial amount valued at $5 million in United States dollars on the later of the Effective Date or the date of delivery to Madison's BTC wallet in accordance with instructions provided by Madison (as bailee) to the Company. At or before the delivery, the Company shall deliver or cause to be delivered to Madison the necessary private keys to the BTC on the blockchain so that Madison can perform its duties under this Agreement.

2.2 Madison shall use its best efforts to use the BTC delivered by or on behalf of the Company to lend such BTC to such third parties (the **Borrowers**") in exchange for fees paid by Borrowers to Madison, pursuant to one or more Master Bitcoin Loan Agreements entered into by and between Madison and third-parties substantially in the form approved by the Company (each a "**Master Bitcoin Loan Agreement**" and collectively, the "**Master Bitcoin Loan Agreements**"). Madison shall deliver or cause to be delivered to the Company, any and all documents received in support of a Master Bitcoin Loan Agreement. The Company shall have the right in its sole and absolute discretion to veto any loans to be made to the Borrowers by providing notice within one Business Day after receipt of any proposed Master Bitcoin Loan Agreement and supporting documentation.

2.3 The Company agrees and understands that neither Madison nor any of its Affiliates makes any promises or commitments relating to the profitability of Madison's lending efforts. Madison may terminate and suspend or discontinue all BTC lending activities in the event that any consent or approval is required to undertake such activities.

2.4. Participation Payments.

(a) Madison will (i) wire transfer to the Company within five days following the end of each Calendar Month such account as specified in writing by an authorized

Company representative, an amount equal to: the applicable Company Initial Return plus the Company Participation Percentage for the most recently completed Calendar Month **("Participation Payments**") which shall be maintained in a segregated account not subjected to the claims of any creditors except those creditors who are (A) Borrowers under the Master Bitcoin Loan Agreements or, (B) the Company and (ii) allocate to itself an amount equal to the Madison Participation Percentage. Madison will provide the Company with a calculation of the amount due per this Section 2.4 providing sufficient detail to permit the Company to verify the accuracy of such calculation (the "**Calculation Statement**"). Any disputes with respect to the calculation of any payment amounts in this Section 2.4 shall be resolved by means of the process set forth in this Section 2.4.

(b) Madison shall keep full, clear and accurate records with respect to the Participation Income and Participation Payments as required in this Section 2.3 and shall furnish any information which the Company or its auditors may reasonably prescribe from time to time to enable the Company to verify the proper Participation Payments due under this Agreement. Madison shall retain such records with respect to the Participation Payments for at least five (5) years from each such payment. The Company shall have the right, twice in any calendar year, to make an examination, during normal business hours, of all records and accounts bearing upon the amount of Participation Payments payable to it under this Agreement. Prompt adjustment shall be made to compensate for any errors or omissions disclosed by such examination. The Company shall be responsible for all of its costs of any such audit unless the audit reveals an underpayment by Madison of at least $10,000 for the audited period. In such an event, Madison shall be responsible for the Company's costs of the audit, including all professional fees incurred. In the event that following delivery of a monthly report or a report from the Company's auditors, it is determined that there was an underpayment or an overpayment, the delinquent party shall promptly make a payment of underpayment or overpayment within ten (10) days to the other party.

(c) If a dispute arises with respect to the amounts due per this Section 2.4, the parties will negotiate the matter in good faith during a four (4) week period. If a dispute remains after such good faith negotiations, the parties will as expeditiously as possible (in any event within sixty (60) days) seek mediation to resolve the remaining matters. If no agreement is reached, the parties may exercise all rights available hereunder at law or in equity.

3. Closing, Delivery and Payment

3 . 1 Closing. The Closing of the transactions contemplated by this Agreement shall take place at the offices of Sichenzia Ross Ference Kesner LLP, at 10:00 a.m., Eastern Time, on such date all closing conditions have been satisfied, or at such other place, time or date as may be mutually agreed upon in writing by Madison and the Company (the "**Closing Date**"). The Closing shall occur only upon the satisfaction or waiver of the conditions required by (i) Madison as set forth in Section 5.1 hereof (other than those conditions that by their nature are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of those conditions); (ii) the Company as set forth in Section 5.2 hereof (other than those conditions that by their nature are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of those conditions).

4. Termination, Term

4.1 This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of Madison and the Company;

(b) by Madison, if the Closing has not occurred by 5:00 p.m., Eastern Time, on the Closing Date; or

(c) by Madison, on thirty (30) days prior written notice.

4.2 This Agreement may be terminated at any time following the Closing by the Company on 30 days' prior written notice only if the party which holds a security interest pursuant to that certain Original Issue Discount Secured Demand Promissory Note made by the Company in favor of the Lender (the **"Note")** makes a demand for payment under the Note.

4.3 Procedure Upon Termination.

(a) Madison shall immediately suspend the extension of loans of BTC under this Agreement by or on behalf of the Company and cause to be redelivered to the Company all BTC initially delivered by the Company pursuant to Section 2.1 of this Agreement; provided however, to the extent that the term of a Master Bitcoin Loan Agreement with a third party has not yet expired, Madison shall immediately on expiration of such Master Bitcoin Loan Agreement redeliver such BTC to the Company. In the event, the BTC has been loaned in an Open deal as defined in the Master Bitcoin Agreement, Madison shall exercise the Callable Option and immediately redeliver such BTC to the Company. Madison agrees that the Company shall be a third party beneficiary under each of the Master Bitcoin Loan Agreements.

(b) Upon termination pursuant to this Article 4, Madison shall pay the Company's Initial Return and Company Participation Percentage as provided herein.

4.4 This Agreement shall remain in effect for so long as:

(a) the Company's Note is outstanding to Lender (the "**Term**");

(b) as the Parties may mutually agree.

5. Closing Conditions

5.1 Conditions to Madison's Obligation to Close. Madison's obligation to consummate the transactions contemplated hereby is subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) The Company shall have performed in all material respects all of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing.

(b) The Company shall have entered into one or more arrangements to borrow five million ($5,000,000) in BTC and the closing of the transactions contemplated in that

certain Note Purchase Agreement dated as of the date hereof, by and between the Company and the Lender (the "**Note Purchase Agreement**").

6. Covenants

6.1 Further Assurances. Madison covenants and agrees that after the Closing Date, it will upon request, and without further consideration, execute and deliver to the Company any other documents and materials, and take any further actions (including using commercially reasonable efforts to ensure the cooperation of Madison), that are reasonably necessary for the Company to monitor the business of Madison as contemplated herein.

6.2 Conduct of Business. From the Effective Date through the later of the Closing Date or the termination of this Agreement in accordance with the terms herein, except as otherwise contemplated by this Agreement or required by law, without the Company's consent, Madison shall not, and shall cause its Affiliates not to:

(a) lend, grant or permit any encumbrance under or with respect to any BTC delivered by the Company pursuant to Section 2.1 of this Agreement, except those loans, grants or encumbrances which may occur solely by virtue of Madison's duties under Section 2.2 hereof;

(b) waive, release, assign, settle or compromise any loan or any cause of action to the extent that such waiver, release, assignment, settlement or compromise imposes any obligation, whether contingent or realized, that will bind the Company after the Closing Date;

(c) fail to make any filing, pay any fee, or take any other action necessary to maintain the ownership, validity and enforceability of any loan, grant or encumbrance of any BTC that is a loan to a Borrower under any the Master Bitcoin Loan Agreements, including using reasonable best efforts to preserve any and all claims under any intellectual property including any patent subject to reexamination (if any);

(d) engage in a loan of the BTC unless the Borrower under the Master Bitcoin Loan Agreement has first deposited into a segregated account solely used for fees and collateral relating to the BTC owned by the Company a sum in United States dollars equal to 100% of the value in dollars of the BTC which is being lent to a Borrower by Madison;

(e) initiate any action under or with respect to any of the loans, grants or encumbrances; or

(f) enter into any binding agreement or commitment to take any of the foregoing actions.

6.3 Public Announcements. Except as otherwise required by law or by any applicable Trading Market (as defined in the Note Purchase Agreement), no party shall issue any press release or make other public statements with respect to the transactions contemplated by this Agreement or identifying the other party by name without the prior written consent of

such party. Further, if either party is required by law or by any applicable Trading Market to issue a press release or other public statement, such party will provide the other party to the extent practicable an advance copy of the press release or public statement and allow such other party to review and propose comments to the press release or public statement.

6.4 Tax Matters. All sales, use, transfer, business and occupation, documentary, stamp, registration, excise, value added and similar taxes and fees (including any penalties and interest) incurred in connection with the payments required hereunder and any related transaction documents shall be borne and paid by Madison when due. Madison shall, at its own expense, timely prepare and file any tax return or other document required with respect to such taxes or fees (and the Company shall cooperate with respect thereto as necessary).

7. Representations and Warranties

7.1 Madison hereby represents and warrants to the Company that as of the Closing Date and throughout the Term:

(a) Organization and Qualification. Madison is and shall continue to be an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Madison is not and will not be in violation nor default of any of the provisions of its certificate or articles of incorporation, bylaws or other organizational or charter documents. Madison is and shall remain duly qualified to conduct its business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of this Agreement, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of Madison, or (iii) a material adverse effect on Madison's ability to perform in any material respect on a timely basis its obligations under this Agreement (any of (i), (ii) or (iii), a "Material Adverse Effect") and, no proceeding has been or will have been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(b) Authorization; Enforcement. Madison has and will continue to have the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by Madison and the consummation by it of the transactions contemplated hereby and thereby have been and will continue to be duly authorized by all necessary action on the part of Madison and no further action is or will be required by Madison, the Board of Directors or Madison's stockholders in connection herewith or therewith. This Agreement and each other transaction document to which it is a party has been (or upon delivery will have been) duly executed by Madison and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of Madison enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, liquidation moratorium and other laws

of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

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

(d) Filings, Consents and Approvals. Madison is and will not be required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other provincial or foreign or domestic federal, state, local or other governmental authority or other person or entity in connection with the execution, delivery and performance by Madison of the transaction documents.

(e) Litigation. To the knowledge of Madison, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of Madison, threatened against or affecting Madison, any Affiliates or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "**Action**") that would, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect, nor to the knowledge of Madison is there any reasonable basis for any such Action that would, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect. To the knowledge of Madison, there is not pending or contemplated, any investigation by the United States Securities and Exchange Commission involving Madison or, to the knowledge of Madison, any current or former director or officer of Madison, nor any current or former officer, director, control person, principal shareholder, or creditor with respect to the relationship of any of the foregoing to Madison or any of its Affiliates.

(f) Compliance. To Madison's knowledge, neither Madison: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by Madison under), nor has Madison received notice of a claim that it is in default under or that it is in violation of,

any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to lending, money laundering, blockchain related matters including cryptocurrency laws or initial coin offerings, taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as would not reasonably be expected to result in a Material Adverse Effect. Madison has all required licenses and permits necessary to carry out its current and proposed business, except where the failure to have such licenses or permits would not result in a Material Adverse Effect. Madison further acknowledges and agrees that it shall not take any action that would subject Madison or the Company to comply with any applicable New York BitLicense or any other applicable New York State regulatory license or permits.

(g) Reserved.

(h) Licenses. Madison has all licenses and permits necessary to carry out its obligations and duties with respect to the Company and Borrowers under this Agreement, except where the failure to have a license or permit will not have a Material Adverse Effect upon Madison or the Company.

(i) No Other Representations or Warranties. Except as expressly provided in this Section 7.1, Madison makes no other representations and/or warranties of any kind, either express or implied, statutory, by usage of trade, custom of dealing, or otherwise, and Madison specifically disclaims any implied representations and/or warranties of merchantability, satisfactory quality or fitness for a particular purpose.

7.2 The Company hereby represents and warrants to Madison that as of the Closing Date and throughout the Term:

(a) Organization and Qualification. The Company is and shall continue to be an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Company is not and will not be in violation nor default of any of the provisions of its certificate or articles of incorporation, bylaws or other organizational or charter documents. The Company is and shall remain duly qualified to conduct its business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of this Agreement, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under this Agreement (any of (i), (ii) or (iii), a "**Company Material Adverse Effect**")

and, no proceeding has been or will have been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

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

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

(d) Filings, Consents and Approvals. The Company is and will not be required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other provincial or foreign or domestic federal, state, local or other governmental authority or other person or entity in connection with the execution, delivery and performance by the Company of the transaction documents.

(e) Litigation. To the knowledge of The Company, there is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company, any Affiliates or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, a "Company Action") that would, if there were an unfavorable decision, have or reasonably be expected to result in a Company Material Adverse Effect, nor to the knowledge of the Company is there any reasonable basis for any such Company Action that would, if there were an unfavorable decision, have or reasonably be expected to result in a Company Material Adverse Effect. To the knowledge of the Company, there is not pending or contemplated, any investigation by the United States Securities and Exchange Commission involving the Company or, to the knowledge of the Company, any current or former director or officer of the Company, nor any current or former officer, director, control person, principal shareholder, or creditor with respect to the relationship of any of the foregoing to the Company or any of its Affiliates.

(f) Compliance. To the Company's knowledge, neither the Company: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company under), nor has the Company received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to lending, money laundering, blockchain related matters including cryptocurrency laws or initial coin offerings, taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as would not reasonably be expected to result in a Company Material Adverse Effect. The Company has all required licenses and permits necessary to carry out its current and proposed business, except where the failure to have such licenses or permits would not result in a Company Material Adverse Effect.

(g) No Other Representations or Warranties. Except as expressly provided in this Section 7.2, the Company makes no other representations and/or warranties of any kind, either express or implied, statutory, by usage of trade, custom of dealing, or otherwise.

7.3 Survival. The representations, warranties, covenants and agreements of the parties contained in this Agreement shall survive the Closing and continue in full force and effect until the later of (i) the second anniversary of the Closing Date, or (ii) so long as the Note is outstanding to the Lender. All covenants or agreements of the parties that are to be performed in whole or in part after the Closing Date shall survive for the period provided in such covenants or agreements, if any, or until fully performed.

8. Miscellaneous

8 . 1 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF, AND VENUE IN, ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION LOCATED IN COOK COUNTY, STATE OF ILLINOIS, SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREIN, AND HEREBY WAIVES, AND AGREES NOT TO ASSERT, AS A DEFENSE IN ANY ACTION FOR THE INTERPRETATION OR ENFORCEMENT HEREOF, THAT IT IS NOT SUBJECT THERETO OR THAT SUCH ACTION MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT THE VENUE THEREOF MAY NOT BE APPLICABLE OR THAT THIS AGREEMENT MAY NOT BE ENFORCED IN OR BY SAID COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION SHALL BE HEARD AND DETERMINED IN SAID COURTS. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE.

8 . 2 LIMITATION ON CONSEQUENTIAL DAMAGES. EXCEPT IN THE CASE OF FRAUD, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF PROFITS, OR ANY SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, HOWEVER CAUSED, KNOWN OR UNKNOWN, ANTICIPATED OR UNANTICIPATED, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THE PARTIES ACKNOWLEDGE THAT THESE LIMITATIONS ON POTENTIAL DAMAGES WERE AN ESSENTIAL ELEMENT IN SETTING CONSIDERATION UNDER THIS AGREEMENT.

8.3 RESERVED.

8 . 4 Confidentiality. Except as otherwise provided in Section 6.3, from and after the Closing, the parties shall not (and shall cause their respective agents and/or Affiliates not to) use or disclose any information concerning this Agreement or the transactions contemplated herein to any third party except (i) with the prior written consent of the other party; (ii) to any governmental body having jurisdiction to require disclosure or to any arbitral body, to the extent required by same; (iii) as otherwise may be required by law or legal process, including to legal and financial advisors in their capacity of advising a party in such matters; (iv) during the course of litigation, so long as the disclosure of such terms and conditions are restricted in the same manner as is the confidential information of other litigating parties; or (v) in confidence to its legal counsel, accountants, banks and financing sources and their advisors in the normal course of business or in connection with strategic or financial transactions; provided that, in (ii) through (v) above, (a) each party shall use all legitimate and legal means available to minimize the disclosure to third parties, including seeking a confidential treatment request or protective order whenever appropriate or available; and (b) except for permitted disclosures to legal and financial advisors and accountants, a party shall provide the other party with at least ten (10) Business Days' prior written notice of such disclosure.

8.5 Entire Agreement. The terms and conditions of this Agreement, including its exhibits, constitutes the entire agreement between the parties with respect to the subject matter

hereof, and merges and supersedes all prior and contemporaneous oral agreements, understandings, negotiations and discussions. Neither of the parties shall be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter hereof other than as expressly provided herein or in any of the transactions documents in connection herewith. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. No amendments or modifications shall be effective unless in writing signed by authorized representatives of both parties. These terms and conditions will prevail notwithstanding any different, conflicting or additional terms and conditions, which may appear on any, acknowledgment or other writing not expressly incorporated into this Agreement. This Agreement may be executed in two (2) or more counterparts, all of which, taken together, shall be regarded as one and the same instrument.

8.6 Notices. All notices required or permitted to be given hereunder shall be in writing, shall make reference to this Agreement, and shall be delivered by hand, or dispatched by prepaid air courier or by email, addressed as follows:

If to Madison
Madison Partners, LLC

If to the Company
Yield Endurance, Inc.
101 Hudson Street, 21st Floor
Jersey City, New Jersey 07302
Email: david@sportendurancehq.com
Attention: Mr. David Lelong

Such notices shall be deemed served when received by addressee or, if delivery is not accomplished by reason of some fault of the addressee, when tendered for delivery. Either party may give written notice of a change of address and, after notice of such change has been received, any notice or request shall thereafter be given to such party at such changed address.

8.7 Relationship of Parties. The parties hereto are independent contractors. Neither party has any express or implied right or authority to assume or create any obligations on behalf of the other or to bind the other to any contract, agreement or undertaking with any third party. Nothing in this Agreement shall be construed to create a partnership, joint venture, employment or agency relationship between Madison and the Company.

8.8 Severability. The terms and conditions stated herein are declared to be severable. If any paragraph, provision, or clause in this Agreement shall be found or be held to be invalid or unenforceable in any jurisdiction in which this Agreement is being performed, the remainder of this Agreement shall be valid and enforceable and the parties shall use good faith to negotiate a substitute, valid and enforceable provision which most nearly effects the parties' intent in entering into this Agreement.

8.9 Waiver. Failure by either party to enforce any term of this Agreement shall not be deemed a waiver of future enforcement of that or any other term in this Agreement.

8.10 Assignment of Agreement. The terms and conditions of this Agreement shall inure to the benefit of any successors, assigns and other legal representatives of the Company, and shall be binding upon Madison, its successor, assigns and other legal representatives.

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

[*Signature page follows*]

IN WITNESS WHEREOF, the parties have executed this Confidential BTC Lending Program Participation Agreement as of the Effective Date.

YIELD ENDURANCE, INC.	MADISON PARTNERS, LLC
Signature	Signature
David Lelong Printed Name	Printed Name
Chief Executive Officer Title	Title
3/12/18 Date	Date

Exhibit 10.4

Execution copy

Account Control Agreement

This ACCOUNT CONTROL AGREEMENT (this "**Agreement**"), dated as of March 12, 2018, by and among Yield Endurance, Inc., a New Jersey corporation (the "**Grantor**"), _____ (the "**Secured Party**") and Madison Partners, LLC, a Delaware limited liability company (the "**Depository**"), is delivered pursuant to Section 2(b) of that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**Security Agreement**"), dated as of March 12, 2018 made by the Grantor and the Secured Party. This Agreement is entered into by the parties hereto for the purpose of perfecting the security interests of the Secured Party granted by the Grantor in the Account described below. All references herein to the " **UCC**" shall mean the Uniform Commercial Code as in effect from time to time in the State of Illinois. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Security Agreement.

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "**Account Expenses**" has the meaning assigned to such term in Section 15 hereof.

(b) "**Agreement**" has the meaning assigned to such term in the Preamble hereof.

(c) "**Account**" has the meaning assigned to such term in Section 2(b) hereof.

(d) **"Bitcoin"** means the type of virtual currency based on an open source cryptographic protocol existing on the Bitcoin Network.

(e) "**Depository**" has the meaning assigned to such term in the Preamble hereof.

(f) "**Grantor**" has the meaning assigned to such term in the Preamble hereof.

(g) "**Notice of Sole Control**" has the meaning assigned to such term in Section 11.

(h) "**Secured Party**" has the meaning assigned to such term in the Preamble hereof.

(i) "**Security Agreement**" has the meaning assigned to such term in the Preamble hereof.

(j) "**UCC**" has the meaning assigned to such term in the Preamble hereof.

2. Representations; Covenants. The Depository hereby confirms and agrees that:

(a) The Depository is engaged in the business of cryptocurrency block trading and execution.

(b) The Depository has established an account for the Grantor for the deposit of Bitcoin assets and other assets and maintains the account(s) listed in Schedule 1 annexed hereto (such account(s), together with each such other account maintained by the Grantor with the Depository collectively, the "**Accounts**" and each an "**Account**"). The Grantor is the Depository's customer with respect to the Accounts.

(c) Each Account will be maintained in the manner set forth herein until termination of this Agreement.

(d) This Agreement is the valid and legally binding obligation of the Depository.

The Depository has not entered into any currently effective agreement with any person relating to the Accounts and/or any of assets credited thereto under which the Depository may be obligated to comply with instructions originated by a person other than the Grantor or the Secured Party. Until the termination of this Agreement, the Depository will not enter into any agreement with any person relating to the Accounts and/or any of the assets credited thereto under which the Depository may be obligated to comply with instructions originated by a person other than the Grantor or the Secured Party.

(e) The Depository has all licenses and permits required of it to carry out its business as contemplated by the Confidential BTC Lending Participation Agreement (the "**BTC Agreement**") between the Grantor and the Depository dated the date of this Agreement.

(f) The Depository shall provide the Grantor with continuing access, by email and as otherwise reasonably requested by the Grantor, to all records maintained by the Depository with respect to the Accounts including loans the Depository makes using the Bitcoin delivered to it by or on behalf of the Grantor including all private keys. In the event the Depository files for bankruptcy whether voluntarily or involuntarily or is otherwise subject to any temporary restraining order or injunction (or similar order), Grantor shall be permitted to use the private keys to redeliver any Bitcoin delivered hereunder or in accordance with the BTC Agreement for purposes of redelivering the Bitcoin to the Grantor as determined in its sole discretion. In the case of any segregated accounts which hold cash, Grantor shall further be permitted to cause any such third parties holding such cash to deliver such cash based on the value of Bitcoin as of such date as reported by Bloomberg L.P.

(g) Depository hereby represents and warrants that all representations, warranties, covenants and such other obligations as set forth in the BTC Agreement are true and correct in all respects and shall continue to be true and correct while this Agreement remains in full force and effect and are hereby incorporated herein by reference and made a part hereof of this Agreement.

3. Control. Following receipt of a Notice of Sole Control, the Depository shall comply with instructions originated by the Secured Party in accordance with this Agreement without the further consent of the Grantor or any person acting or purporting to act for the Grantor, including, directing disposition of the Accounts. The Depository shall also comply with instructions from the Grantor directing the disposition of funds in each Account originated by the Grantor until such time as the Secured Party delivers a Notice of Sole Control pursuant to Section 11(a) hereof to the Depository. The Depository shall comply with, and is fully entitled to rely upon, any instruction from the Secured Party, even if such instruction is contrary to any instruction that the Grantor may give or may have given to the Depository.

4. Subordination of Lien; Waiver of Set-Off.

(a) The Depository hereby agrees that any security interest in, lien on, encumbrance, claim or (except as provided in the next sentence) right of set-off against, the Accounts or any funds therein it now has or subsequently obtains shall be subordinate to the security interest of the Secured Party in the Account and the assets therein or credited thereto.

(b) The Depository agrees not to exercise any present or future right of recoupment or set-off against the Account or to assert against the Account any present or future security interest or any other lien or claim (including claim for penalties) that the Depository may at any time have against or in any of the Account or any funds therein; *provided*, however, that the Depository may set off all amounts due to the Depository in respect of its customary fees and expenses for the routine maintenance and operation of the Account.

5. Depository's Responsibility.

(a) The Depository will not be liable to the Secured Party for complying with instructions from the Grantor concerning the Account that is received by the Depository before the Depository receives, and has a reasonable opportunity to act on, a Notice of Sole Control.

(b) The Depository will not be liable to the Grantor or the Secured Party for complying with a Notice of Sole Control or with instructions concerning the Account originated by the Secured Party, even if the Grantor notifies the Depository that the Secured Party is not legally entitled to issue the Notice of Sole Control or instructions, unless the Depository takes the actions after it is served with an injunction, restraining order, or other legal process enjoining it from doing so, issued by a court of competent jurisdiction, and had a reasonable opportunity to act on the injunction, restraining order or other legal process.

(c) This Agreement does not create any obligation of the Depository except for those expressly set forth in this Agreement. In particular, the Depository need not investigate whether the Secured Party is entitled under the Secured Party's agreements with the Grantor to give instructions concerning any Account or a Notice of Sole Control. The Depository may rely on notices and communications it believes to be given by the appropriate party.

6. Indemnification and Reimbursement.

(a) The Grantor agrees to indemnify the Depository, its officers, directors, employees and agents against all claims incurred, sustained or payable by the Depository, or such other indemnitee, arising out of this Agreement except to the extent caused by the Depository's, or such other indemnitee's bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment. The Depository agrees to indemnify the Grantor, its officers, directors, employees and agents against all claims incurred, sustained or payable by the Grantor, or such other indemnitee, arising out of this Agreement except to the extent caused by the Grantor's, or such other indemnitee's bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment.

(b) The Secured Party agrees to reimburse the Depository for any charge against the Account for which there were insufficient funds in the Account to satisfy the charge. Such reimbursement will be limited to the aggregate amount transferred from the Account as a result of the Depository's acting upon instructions originated by the Secured Party as contemplated in this Agreement. No demand by the Depository for reimbursement under this Section 6(b) may be made later than five (5) days after the termination of this Agreement. The Depository may not make a claim for reimbursement under this Section 6(b) unless:

(i) the Grantor fails to satisfy the claim within five (5) days after the Depository makes a demand on the Grantor under Section 6(a); or

(ii) the Depository is enjoined, stayed or prohibited by operation of law from making the demand on the Grantor.

(c) The Secured Party's reimbursement obligation under Section 6(b) will not apply to:

(i) a charge for reimbursement or indemnification for any out-of-pocket or allocable internal legal fees and expenses incurred by the Depository in connection with any claim or defense by the Depository against the Secured Party relating to this Agreement; or

(ii) the amount of loss incurred by the Depository to the extent caused by the Depository's gross negligence or willful misconduct. If the Depository satisfies any claim referred to in the foregoing clause (i) against the Grantor by charging the Account, the amount of the Secured Party's maximum liability for reimbursement obligations under Section 6(b) will be reduced by the amount of the claim so satisfied.

(d) If the Secured Party fails to reimburse the Depository for any amount under Section 6(b), the Secured Party will pay for the Depository's out-of-pocket fees and expenses in collecting from the Secured Party the amount payable.

(e) The Secured Party agrees to indemnify the Depository against all other claims incurred, sustained or payable by the Depository arising from the Depository following instructions originated by the Secured Party, or from the Depository's transfer of funds pursuant to this Agreement, except to the extent caused by the Depository's bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable judgment.

7. Choice of Law; Waiver of Jury Trial.

(a) Both this Agreement and the deposit shall be governed by the laws of the State of Illinois. The Depository and the Grantor may not change the law governing any Account without the Secured Party's prior written consent.

(b) To the extent permitted by applicable law, each party waives all rights to trial by jury in any action, claim or proceeding (including any counterclaim) of any type arising out of or directly or indirectly relating to this Agreement.

8. Conflict with Other Agreements. As of the date hereof, there are no other agreements entered into between the Depository and the Grantor with respect to any Account or any funds credited thereto (other than standard and customary documentation with respect to the establishment and maintenance of such Account and the BTC Agreement). The Depository and the Grantor will not enter into any other agreement with respect to any Account unless the Secured Party shall have received prior written notice thereof. The Depository and the Grantor have not and will not enter into any other agreement with respect to control of the Account or purporting to limit or condition the obligation of the Depository to comply with any orders or instructions with respect to any Account as set forth in Section 3 hereof without the prior written consent of the Secured Party acting in its sole discretion. In the event of any conflict with respect to control over any Account between this Agreement (or any portion hereof) and any other agreement now existing or hereafter entered into, the terms of this Agreement shall prevail.

9. Account Statements. On or before the 5th (Fifth) day of each month, the Depository shall furnish to the Secured Party and the Grantor the most recent account statement issued by the Depository with respect to each of the Accounts and the balances held therein. Each such statement shall accurately reflect the assets held in such Account as of the date thereof. The Depository's liability for failing to provide any account statement will not exceed the Depository's cost of providing the statement. The Grantor authorizes the Depository to provide the Secured Party, whether by internet access or otherwise, any other information concerning the Account that the Depository may agree to provide to the Secured Party at the Secured Party's request.

10. Notice of Adverse Claims. Except for the claims and interests of the Secured Party and of the Grantor in the Accounts, the Depository on the date hereof does not know of any claim to, security interest in, lien on, or encumbrance against, any Account or in any funds credited thereto and does not know of any claim that any person or entity other than the Secured Party has been given control (within the meaning of UCC) of any Account or any such funds. If the Depository becomes aware that any person or entity is asserting any lien, encumbrance, security interest or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process or any claim of control) against any funds in any Account, the Depository shall promptly notify the Secured Party and the Grantor thereof.

11. Maintenance of Accounts. In addition to the obligations of the Depository in Section 3 hereof, the Depository shall maintain the Account, and Grantor agrees to such maintenance of the Account, as follows and: If at any time the Secured Party delivers to the Depository a notice instructing the Depository to terminate the Grantor's access to any Account (a "**Notice of Sole Control**"), the Depository agrees that, after receipt of such notice, it will take all instructions with respect to such Account solely from the Secured Party, terminate all instructions and orders originated by the Grantor with respect to the Account or any funds therein, and cease taking instructions from the Grantor, including, without limitation, instructions for distribution or transfer of any funds in any Account. The Depository shall provide prompt notice to the Grantor of such action.

12. Binding Effect. The terms of this Agreement shall become effective when it has been executed by the Grantor, the Secured Party and the Depository, and thereafter shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns and transferees.

13. Notices. Any notice, request or other communication required or permitted to be given under this Agreement shall be in writing and deemed to have been properly given when delivered in person, by overnight delivery service or by email addressed to the party at the address set forth below.

Yield Endurance, Inc.
101 Hudson Street, 21st Floor
Jersey City, New Jersey 07302
Email: david@sportendurancehq.com
Attention: Mr. David Lelong

Madison Partners, LLC

14. Termination; Survival. Except as otherwise provided in this Section 14, this Agreement and the obligations of the Depository hereunder shall continue in effect until the security interests of the Secured Party in the Account and any and all funds therein have been terminated pursuant to the terms of the

Security Agreement and the Secured Party has notified the Depository of such termination in writing. This Agreement may be terminated by:

(a) the Secured Party at any time by written notice to the other parties; or

(b) the Depository, at any time by written notice delivered to the Secured Party and the Grantor not less than 30 days prior to the effective termination date; or

(c) the Grantor, by written notice signed by the Grantor and the Secured Party, delivered to the Depository not less than 30 days prior to the effective termination date; provided, however, that if the Depository ceases operations, is (i) subject to a temporary restraining order or injunction (or similar order) restraining it from performing its duties under this Agreement or the BTC Agreement, (ii) a bankruptcy or insolvency petition filed against it or (iii) the filing of bankruptcy or insolvency petition by it, the 30-day notice period shall not be required. Prior to any termination of this Agreement pursuant to this Section 14, the Depository hereby agrees that it shall promptly take, at the Grantor's sole cost and expense, all actions necessary to transfer any funds or Bitcoin in the Account as follows: (a) in the case of a termination of this Agreement under Section 14(b) hereof, to the institution designated in writing by the Grantor; and (b) in all other cases, to the institution designated in writing by the Secured Party.

Sections 6 through 17 of this Agreement will survive termination of this Agreement.

15. Fees and Expenses. The Depository agrees to look solely to the Grantor for payment of any and all fees, costs, charges and expenses incurred or otherwise relating to the Account and services provided by the Depository hereunder (collectively, the "**Account Expenses**"), and the Grantor agrees to pay such Account Expenses to the Depository on demand therefor. The Grantor acknowledges and agrees that it shall be, and at all times remains, solely liable to the Depository for all Account Expenses.

16. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois. EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF, AND VENUE IN, ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION LOCATED IN COOK COUNTY, STATE OF ILLINOIS, SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREIN, AND HEREBY WAIVES, AND AGREES NOT TO ASSERT, AS A DEFENSE IN ANY ACTION FOR THE INTERPRETATION OR ENFORCEMENT HEREOF, THAT IT IS NOT SUBJECT THERETO OR THAT SUCH ACTION MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT THE VENUE THEREOF MAY NOT BE APPLICABLE OR THAT THIS AGREEMENT MAY NOT BE ENFORCED IN OR BY SAID COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION SHALL BE HEARD AND DETERMINED IN SAID COURTS. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE.

17. Severability. If any term or provision set forth in this Agreement shall be invalid or unenforceable, the remainder of this Agreement, other than those provisions held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.

18. Amendment. No amendment to this Agreement will be binding on any party unless it is in writing

and signed by all of the parties. Any provision of this Agreement benefiting a party may be waived only by a writing signed by that party.

19. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same agreement and any party hereto may execute this Agreement by signing and delivering one or more counterparts. Delivery of an executed counterpart of this Agreement electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Yield Endurance, Inc.

By_____
Name: David Lelong
Title: Chief Executive Officer

Madison Partners, LLC

By_____
Name:
Title:

By_____
Name:
Title:

Exhibit 10.5

Execution copy

SUBORDINATION AGREEMENT

March 12, 2018

Ladies and Gentlemen:

The undersigned lender ("**Creditor**") is a creditor of Sport Endurance, Inc. ("**Company**"), Yield Endurance, Inc. ("**Yield**"), a wholly-owned subsidiary of the Company together with any direct or indirect subsidiary of the Company hereafter formed or acquired (Yield and each future subsidiary, a "**Borrower**" and collectively referred to herein as "**Borrowers**"), wish to accommodate the extension of credit by _____ ("**Senior Lender**") to Yield pursuant to that certain Note Purchase Agreement, dated March 12, 2018 among the Company, Yield and Senior Lender ("**Purchase Agreement**") and the Transaction Documents thereto. Defined terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

In order to induce Senior Lender to enter into the Transaction Documents and to extend credit thereunder and to grant such renewals or extensions of such credit as Senior Lender may deem advisable, Creditor is willing to subordinate, on the terms of this agreement (the "**Agreement**"): (i) all of the Company's indebtedness and obligations to Creditor, whether presently existing or arising in the future (the "**Subordinated Debt**"), to all of Yield's indebtedness and obligations to Senior Lender pursuant to the Senior Secured Demand Promissory Note ("**Note**") and the Company's Guaranty; and (ii) all of Creditor's security interests in the Company's property to all of Senior Lender's security interests in the property of the Company and Yield in connection with the Transaction Documents.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Any and all claims of Creditor against the Company or any Borrower, now or hereafter existing, are, and shall be at all times, subject and subordinate to any and all claims, now or hereafter existing which Senior Lender may have against the Company or any Borrower (including any claim by Senior Lender for interest accruing after any assignment for the benefit of Creditor by the Company or any Borrower or the institution by or against the Company or any Borrower of any proceedings under the Bankruptcy Code, or any claim by Senior Lender for any such interest which would have accrued in the absence of such assignment or the institution of such proceedings) arising under the Note and interest thereon.

2. Creditor agrees (i) not to commence or threaten to commence any action or proceeding, sue upon, or to collect, or to receive payment of the principal or interest of any claim or claims now or hereafter existing which such Creditor may hold against the Company or any Borrower, (ii) not to sell, assign, transfer, pledge, hypothecate, or encumber such claim or claims except subject expressly to this Agreement, and not to enforce or apply any security now or hereafter existing therefor, (iii) not to file or join in any petition to commence any proceeding under the Bankruptcy Code, and (iv) not to take any lien or security on any of any or the Company's or Borrower's property, real or personal (which shall not require the termination of a lien or security of Creditor that exists on the date hereof, provided that such lien or security is not

amended following the date hereof), in each case, until 91 days following the date all claims of Senior Lender against the Company or any Borrower have been indefeasibly satisfied in full.

3. In case of any assignment for the benefit of Creditor by the Company or any Borrower or in case any proceedings under the Bankruptcy Code are instituted by or against the Company or any Borrower, or in case of the appointment of any receiver for the Company or any Borrower's business or assets, or in case of any dissolution or winding up of the affairs of the Company or any Borrower: (a) Company and Borrower and any assignee, trustee in Bankruptcy, receiver, debtor in possession or other person or persons in charge are hereby directed to pay to Senior Lender the full amount of Senior Lender claims against the Company or any Borrower (including interest to the date of payment) before making any payment of principal or interest to Creditor, and insofar as may be necessary for that purpose, Creditor hereby assigns and transfers to Senior Lender all security or the proceeds thereof, and all rights to any payments, dividends or other distributions, and (b) Creditor hereby irrevocably constitutes and appoints each Senior Lender its true and lawful attorney to act in its name and stead: (i) to file the appropriate claim or claims on behalf of such Creditor if such Creditor does not do so prior to 30 days before the expiration of the time to file claims in such proceeding and if Senior Lender elects at its sole discretion to file such claim or claims and (ii) to accept or reject any plan of reorganization or arrangement on behalf of Creditor, and to otherwise vote Creditor's claims in respect of any indebtedness now or hereafter owing from the Company or any Borrower to Creditor in any manner Senior Lender deems appropriate for its own benefit and protection.

4. Senior Lender is hereby authorized by Creditor to: (a) renew, compromise, extend, accelerate or otherwise change the time of payment, or any other terms, of the extension of credit pursuant to the Note, (b) increase or decrease the rate of interest payable thereon or any part thereof, (c) exchange, enforce, waive or release any security therefor, (d) apply such security and direct the order or manner of sale thereof in such manner as such Senior Lender may at its discretion determine, and (e) release the Company, any Borrower or any guarantor of any indebtedness of a Borrower from liability, all without notice to Creditor and without affecting the subordination provided by this Agreement. Upon receiving the express written consent of the Creditor, Senior Lender shall be authorized to make optional future advances to any Borrower. Provided, however, no consent of the Creditor shall be required for the Senior Lender to make future advances to Yield.

5. Creditor hereby covenants to not sell, assign, transfer or hypothecate the Subordinated Debt or any portion thereof unless the party to which such sale, assignment, transfer or hypothecation is made shall execute and deliver this Agreement, *mutatis mutandis*, to Senior Lender in advance as a condition precedent to such sale, assignment, transfer or hypothecation. Any sale, assignment, transfer or hypothecation of Subordinated Debt by Creditor that is not in compliance with this provision shall be null and void, ab initio.

6. In the event that any payment or any cash or noncash distribution is made to Creditor in violation of the terms of this Agreement, such Creditor shall receive same in trust for the benefit of Senior Lender, and shall forthwith remit it to Senior Lender in the form in which it was received, together with such endorsements or documents as may be necessary to effectively negotiate or transfer same to the Senior Lender.

7. Until all such claims of Senior Lender against the Borrowers, now or hereafter existing, shall be paid in full, no gift or loan shall be made by the Company or any Borrower to any Creditor.

8. For violation of this Agreement, Creditor shall be liable for all loss and damage sustained by reason of such breach, and upon any such violation Senior Lender may, at its option, accelerate the maturity of any of its existing or future claims against the Guarantor or any Borrower.

9. This Agreement shall be binding upon the heirs, successors and assigns of Creditor, the Company, the Borrowers and the Senior Lender. This Agreement and any existing or future claim of a Senior Lender against a Borrower may be assigned by such Senior Lender, in whole or in part, without notice to the Creditor, the Company or such Borrower. In addition, the Company and Borrower shall cause any direct and indirect subsidiaries hereafter formed or acquired to acknowledge and agree to the terms hereof, and deliver written evidence to the Senior Lender with respect thereto contemporaneous with any such acquisition or formation.

10. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be delivered as set forth in the Purchase Agreement.

11. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be determined in accordance with the provisions of the Purchase Agreement.

12. This Agreement may be executed in counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart.

13. The provisions of this Agreement are solely to define the relative rights of the Creditor on the one hand and Senior Lender on the other hand. Nothing in this Agreement shall impair, as between the Company and the Creditor, the unconditional and absolute obligation of Company to punctually pay the principal, interest and any other amounts and obligations owing under the Subordinated Debt in accordance with the terms thereof, subject to the rights of Senior Lender under this Agreement. This Agreement constitutes the entire agreement among the parties with respect to the matters covered hereby and thereby and supersede all previous written, oral or implied understandings among them with respect to such matters.

14. The invalidity of any portion hereof shall not affect the validity, force or effect of the remaining portions hereof. If it is ever held that any restriction hereunder is too broad to permit enforcement of such restriction to its fullest extent, such restriction shall be enforced to the maximum extent permitted by law.

15. Each of the parties hereto acknowledges that this Agreement has been prepared jointly by the parties hereto, and shall not be strictly construed against either party.

[SIGNATURE PAGE FOLLOWS]

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

By: _____
Name:
Title:

Acceptance of Subordination Agreement by Borrower

The undersigned being Borrowers and Company referred to in the foregoing Subordination Agreement, hereby accept and consent thereto and agrees to be bound by all the provisions thereof and to recognize all priorities and other rights granted thereby to Senior Lender, its respective successors and assigns, and to perform in accordance therewith.

Dated: March ___, 2018

YIELD ENDURANCE, INC.

By: _____
Name: David Lelong
Title: President and CEO

SPORT ENDURANCE, INC.

By: _____
Name: David Lelong
Title: Chief Executive Officer

Exhibit 10.6

Execution Copy

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this "Agreement") is made as of March ___, 2018 (the "Effective Date"), by and among **Sport Endurance, Inc.**, a Nevada corporation (the "Company"), and the purchaser listed on the signature page (the "Purchaser", and together with its assigns the "Purchasers").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to an exemption from the registration requirements of Section 5 of the Securities Act (as defined herein) contained in Section 4(a)(2) thereof and/or Regulation D thereunder, the Company desires to issue and sell to the Purchaser, and the Purchaser's desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

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

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the words and terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms have the meanings set forth in this Section 1.1:

"Agreement" shall have the meaning ascribed to such term in the preamble.

"Acquiring Person" shall have the meaning ascribed to such term in Section 4.5.

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

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

"BHCA" shall have the meaning ascribed to such term in Section 3.1(nn).

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

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

"Purchaser" shall have the meaning ascribed to such term in the preamble.

"Closing" shall have the meaning ascribed to such term in Section 2.1(c).

"Closing Date" shall have the meaning ascribed to such term in Section 2.1(c).

"Collateral" shall have the meaning ascribed to such term in the Security Agreement.

"Collateral Agent" shall mean _____.

"Common Stock" means the common stock of the Company, par value $0.001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

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

"Company" shall have the meaning ascribed to such term in the preamble.

"Company Counsel" shall mean Nason, Yeager, Gerson, White & Lioce, P.A.

"Cryptocurrency Transaction" shall have the meaning ascribed to such term in Section 2.6.

"Developer" shall have the meaning ascribed to such term in Section 3.1(p)(vi).

"Disqualification Event" shall have the meaning ascribed to such term in Section 3.1(jj).

"Effective Date" shall have the meaning ascribed to such term in the preamble.

"Effectiveness Date" shall have the meaning ascribed to such term in Section 4.1(d).

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

"Equity Line of Credit" shall have the meaning ascribed to such term in Section 4.12(b).

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

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

"Exempt Issuance" means the issuance of (a) shares of Common Stock or options to employees, consultants, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, or if there are no non-employee directors, by a majority of the Board of Directors, (b) securities upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the

Effective Date, provided that such securities have not been amended since the Effective Date to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (c) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, 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 owner of 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, (d) securities issued to lenders which are regularly engaged in the making of commercial loans evidenced by notes which are not convertible into securities, and (e) Common Stock or other securities issued to any Person pursuant to the Cryptocurrency Transaction.

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

"Federal Reserve" shall have the meaning ascribed to such term in Section 3.1(nn).

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

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

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(aa).

"Intellectual Property" means all of the following in any jurisdiction throughout the world: (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all U.S. and foreign patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, brand names, certification marks, trade dress, logos, trade names, domain names, assumed names and corporate names, together with all colorable imitations thereof, and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all trade secrets under applicable state laws and the common law and know-how (including formulas, techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (e) all computer software (including source code, object code, diagrams, data and related documentation), and (f) all copies and tangible embodiments of the foregoing (in whatever form or medium).

"Intellectual Property Agreement" shall have the meaning ascribed to such term in Section 3.1(p)(iii).

"Issuer Covered Person" or "Issuer Covered Persons" shall have the meaning ascribed to such term in Section 3.1(jj).

"ITAI" shall have the meaning ascribed to such term in Section 4.9.

"Joinder Agreement" shall have the meaning ascribed to such term in Section 6.6.

"Knowledge" means the actual knowledge of a Person's executive officers (as defined in Rule 405 under the Securities Act), after due inquiry.

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

"Licensed Intellectual Property Agreement" shall have the meaning ascribed to such term in Section 3.1(p)(iv).

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

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

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

"Money Laundering Laws" shall have the meaning ascribed to such term in Section 3.1(oo).

"Notes" shall have the meaning ascribed to such term in Section 2.1(a).

"Note Conversion Price" means the conversion price set forth in a Note, subject to adjustment as provided in a Note.

"November 2017 Security Agreement" shall have the meaning ascribed to such term in Section 2.6.

"OFAC" shall have the meaning ascribed to such term in Section 3.1(ll).

"Ordinary Course of Business" means the ordinary course of business consistent with the past custom and practice of the Company in the operation of its business.

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

"Pre-Notice" shall have the meaning ascribed to such term in Section 4.11(a).

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

"Public Information Failure" shall have the meaning ascribed to such term in Section 4.2(b).

"Public Information Failure Payments" shall have the meaning ascribed to such term in Section 4.2(b).

"Purchaser" or "Purchasers" shall have the meaning ascribed to such term in preamble.

"Purchaser Party" shall have the meaning ascribed to such term in Section 4.8.

"Regulation FD" means Regulation FD promulgated by the SEC pursuant to the Exchange Act, as such Regulation may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Regulation.

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

"ROFR" shall have the meaning ascribed to such term in Section 4.11(a).

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

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

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

"Securities" means the Notes and the Shares.

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

"Security Agreement" means the revised security agreement, in the form of Exhibit B, providing the Purchasers and Collateral Agent with a secured Lien on all of the Collateral of the Company in accordance with the terms and conditions as provided for therein.

"Shares" means the Common Stock issuable upon conversion of the Notes.

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

"Subsequent Financing" shall have the meaning ascribed to such term in Section 4.11(a).

"Subsequent Financing Notice" shall have the meaning ascribed to such term in Section 4.11(a).

"Subsidiary" means with respect to any entity at any date, any direct or indirect corporation, limited or general partnership, limited liability company, trust, estate, association, joint venture or other business entity of which (A) more than 30% of (i) the outstanding capital stock having (in the absence of contingencies) ordinary voting power to elect a majority of the board of directors or other managing body of such entity, (ii) in the case of a partnership or limited liability company, the interest in the capital or profits of such partnership or limited liability company or (iii) in the case of a trust, estate, association, joint venture or other entity,

the beneficial interest in such trust, estate, association or other entity business is, at the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such entity, or (B) is under the actual control of the Company.

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

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, LLC, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange, the OTCQB, or the OTCQX (or a similar organization or agency succeeding to its functions of reporting prices).

"Transaction Documents" means this Agreement, the Notes, the Security Agreement, the ITAI and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer Agent" means Equity Stock Transfer, the current transfer agent of the Company, with a mailing address of 237 W 37th St. Suite 602, New York, NY 10018, and any successor transfer agent of the Company.

"Variable Priced Equity Linked Instruments" shall have the meaning ascribed to such term in Section 4.12(b).

"Variable Rate Transaction" shall have the meaning ascribed to such term in Section 4.12(b).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if prices for the Common Stock are then reported on the OTC Pink Marketplace maintained by the OTC Markets Group, Inc. (or any successors to any of the foregoing), the volume weighted average price of the Common Stock on the first such facility (or a similar organization or agency succeeding to its functions of reporting prices), or (c) in all other cases, the fair market value of a share of Common Stock as determined by the Board of Directors of the Company.

"Warrants" shall have the meaning ascribed to such term in Section 2.4.

"WMH" shall have the meaning ascribed to such term in Section 3.1(tt).

ARTICLE II.
PURCHASE AND SALE

2.1 Closing.

(a) Initial Purchase and Sale by Purchaser. The Company agrees to sell and the Purchaser and its assigns agree to purchase an Original Issue Discount Note (the "Note", collectively with that certain original issue discount note issued to the Collateral Agent on February 15, 2018, the "Notes") in the form of Exhibit A hereto, in the amount of US $777,202.07 (the "Purchase Price"). The Note shall be convertible into Shares, for no additional consideration, six months after the Original Issue Date of the Note (as such term is defined in the relevant Note). At the Closing: (A) Purchaser shall deliver to the Company, via wire transfer immediately available funds equal to Purchaser's Purchase Price as set forth on Purchaser's signature page hereto executed by Purchaser; (B) the Company shall deliver to Purchaser the Note for repayment of Purchaser's Purchase Price set forth on Purchaser's signature page hereto executed by Purchaser; and (C) the Company and Purchaser shall deliver the other items set forth in Section 2.2 at the Closing.

(b) Reserved.

(c) Closing. The closing of the purchase and sale of the Note (the 'Closing") shall take place at the offices of the Company Counsel or such other location as the parties shall mutually agree, or by transmission by facsimile and/or overnight courier, immediately following the execution hereof, or such later date or different location as the parties shall agree, but not prior to the date that the conditions set forth in Section 2.2 and 2.3 have been satisfied or waived by the appropriate party (each, a "Closing Date").

2.2 Deliveries.

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

(i) This Agreement duly executed by the Company;

(ii) A Note, convertible at the Note Conversion Price, registered in the Purchaser's name;

(iii) A copy of the Security Agreement duly executed by the Company;

(iv) A certificate evidencing the incorporation and good standing of the Company in the State of Nevada issued by the Secretary of State of the State of Nevada as of a date within ten (10) Business Days of the Effective Date; and

(v) A copy of the ITAI, in a form reasonably acceptable to and previously approved by Purchaser that has been executed by the Company and the Transfer Agent.

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

(i) This Agreement duly executed by the Purchaser;

(ii) To the Company, the Purchaser's Purchase Price (as set forth in this Agreement) by wire transfer to the Company; and

(iii) A copy of the Security Agreement duly executed by the Purchaser.

2.3 Closing Conditions.

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

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) on the applicable Closing Date of the representations and warranties of the Purchaser(s) contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

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

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

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

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the applicable Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

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

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

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

(v) From the Effective Date to the Closing Date, trading in the Common Stock shall not have been suspended by the SEC or the Company's principal Trading Market, and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or

other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of a Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

2.4 Warrants. The Company hereby agrees that, upon the issuance by the Company of any Note, it shall also issue to the Purchaser specified in the Note warrants to purchase two shares of the Common Stock of the Company with an exercise price of $0.01 for every $1.00 of the Note purchased by each Purchaser (the "Warrants"). Each of the Warrants issued to a Purchaser by the Company pursuant to this Section 2.4 shall be in the form attached hereto as Exhibit C.

2.5 Security. As collateral security for the payment and performance in full of all the obligations of the Company including, but not limited to, full and complete repayment of all Notes, the Company hereby pledges and grants to the Collateral Agent for the benefit of the Purchaser, a senior secured Lien on and security interest in all of the right, title and interest of the Company in, to and under the Collateral, wherever located, and whether now existing or hereafter arising or acquired from time to time by the Company, in accordance with the terms and conditions of, and as more particularly set forth in, the Security Agreement.

2.6 Subordination of Collateral. Notwithstanding anything herein to the contrary, the Purchaser acknowledges and agrees that any rights the Purchaser may have in and to the Collateral, including any Liens evidenced by this Agreement or the other Transaction Documents be, and they hereby are, subordinate and junior in priority to any and all rights an investor (and its successors and assigns) may have to the Collateral pursuant to that certain Security Agreement by and between the Company and an investor dated November 17, 2017 (the "November 2017 Security Agreement") or the other transaction documents related thereto. The Purchaser further acknowledges and agrees that the Company is currently engaged in discussions concerning a potential future transaction between the Company and one or more lenders pursuant to which the Company will borrow approximately $5,000,000 of cryptocurrency evidenced by an original issue discount senior secured promissory note in the approximate amount of $5,500,000 (the "Cryptocurrency Transaction"). In the event the Company closes on the Cryptocurrency Transaction, any and all rights the Purchaser may have to the Collateral pursuant to this Agreement, the other Transaction Documents or the November 2017 Security Agreement shall be subordinate and junior in priority to any and all rights in or to the Collateral that the Company may grant one or more parties to the Cryptocurrency Transaction. The Purchaser shall, from time to time at the Company's sole expense, take such further action (including the execution and delivery of such further instruments and documents) as the Company may request, including, without limitation, executing a subordination agreement in a form reasonably acceptable to the Purchaser evidencing the subordination of such Purchaser's interests in and to the Collateral that the Company may grant to such parties to the Cryptocurrency Transaction.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as modified by the Schedules to this Agreement, the Company hereby makes the following representations and warranties to the Purchaser:

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

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

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

performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

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

(e) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.4 of this Agreement, (ii) application(s) to each applicable Trading Market for the listing of the Shares for trading thereon in the time and manner required thereby, (iii) filings necessary to perfect the Liens in favor of the Purchaser under the Security Agreement, and (iv) such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals").

(f) Issuance of the Securities. The Securities are duly authorized and, when issued and paid for in accordance with the applicable Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The Shares, when issued upon conversion of a Note, will be validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company. The Company has reserved from its duly authorized capital stock a number of shares of Common Stock issuable pursuant to the Notes equal to the amount set forth in Section 4.9.

(g) Capitalization. The capitalization of the Company is as set forth in the SEC Reports. The Company has not issued any capital stock since its most recently filed periodic report under the Exchange Act, other than pursuant to the exercise of employee

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

(h) SEC Reports; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the Effective Date (or such shorter period as the Company was required by law or regulation to file such material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of

the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis during the periods involved ("GAAP"), except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of the Company and its consolidated Subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

(i) Material Changes; Undisclosed Events, Liabilities or Developments. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in a subsequent SEC Report filed prior to the date hereof, (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the Ordinary Course of Business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in filings made with the SEC, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, (v) the Company has not issued any equity securities to any officer, director or Affiliate, except pursuant to existing Company stock option plans, (vi) the Company has not sold, leased, transferred, or assigned any of its assets, tangible or intangible, other than in the Ordinary Course of Business and except for any pre-closing distribution, (vii) the Company has not entered into any material agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) involving more than $25,000 and outside the Ordinary Course of Business, (viii) no party (including the Company) has accelerated, terminated, modified, or cancelled any agreement, contract, lease, or license (or series of related agreements, contracts, leases, and licenses) involving more than $25,000 to which the Company is a party or by which any of them is bound, (xi) the Company has not imposed or allowed to occur any Lien upon any of its material assets, tangible or intangible other than in the Ordinary Course of Business, (x) the Company has not made any capital expenditure (or series of related capital expenditures) involving more than $25,000 and outside the Ordinary Course of Business, (xi) the Company has not made any capital investment in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans, and acquisitions) involving more than $25,000 and outside the Ordinary Course of Business, (xii) the Company has not issued any note, bond, or other debt security or created, incurred, assumed, or guaranteed any indebtedness for borrowed money or capitalized lease obligation either involving more than $25,000 singly or in the aggregate, (xiii) the Company has not delayed or postponed the payment of accounts payable and other liabilities outside the Ordinary Course of Business, (xiv) the Company has not cancelled, compromised, waived, or released any right or claim (or series of related rights and claims) both involving more

than $25,000 and outside the Ordinary Course of Business, (xv) the Company has not transferred, assigned, or granted any license or sublicense of any rights under or with respect to any Intellectual Property other than in the Ordinary Course of Business, (xvi) there has been no change made or authorized in the articles of incorporation or bylaws of the Company, (xvii) the Company has not issued, sold, or otherwise disposed of any Common Stock or other securities, or granted any options, warrants, or other rights to purchase or obtain (including upon conversion, exchange, or exercise), (xviii) the Company has not experienced any damage, destruction, or loss (whether or not covered by insurance) to its material property other than in the Ordinary Course of Business, (xix) the Company has not made any loan to, or entered into any other transaction with, any of its directors, officers, or employees outside the Ordinary Course of Business, (xx) the Company has not entered into or terminated any employment contract or collective bargaining agreement, written or oral, or modified the terms of any existing such contract or agreement with any significant employees other than in the Ordinary Course of Business, (xxi) the Company has not granted any increase in the base compensation of any of its directors, officers, and employees outside the Ordinary Course of Business, (xxii) the Company has not adopted, amended, modified, or terminated any bonus, profit sharing, incentive, severance, or other plan, contract, or commitment for the benefit of any of its directors, officers, and employees (or taken any such action with respect to any other employee benefit plan) other than in the Ordinary Course of Business, (xxiii) the Company has not made any other material change in employment terms for any of its directors, officers, or employees outside the Ordinary Course of Business, (xxiv) the Company has not made or pledged to make any material charitable or other capital contribution outside the Ordinary Course of Business, (xxv) there has not been any other occurrence, event, incident, action, failure to act, or transaction outside the Ordinary Course of Business involving the Company, (xxvi) the Company has not discharged a material liability or security interest outside the Ordinary Course of Business, (xxvii) the Company has not disclosed any Confidential Information without a non-disclosure agreement, and (xxviii) no customer or supplier has terminated any agreement of given notice that it may or will cease to do any business or do less business with the Company. The Company does not have pending before the SEC any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(i), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, prospects, properties, operations, assets or financial condition that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least one (1) Trading Day prior to the date that this representation is made.

(j) Litigation. There is no Proceeding or investigation pending or, to the Knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the issuance of the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be

expected to result in a claim in excess of $25,000. Neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been or in the last ten years the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty, except for Actions which will not have a Material Adverse Effect. There has not been, and to the Knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or any current or former director or officer of the Company, except for Actions which will not have a Material Adverse Effect. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

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

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

product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(m) Environmental Laws. The Company and its Subsidiaries (i) are in compliance with all federal, state, local and foreign laws relating to pollution or protection of human health or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata), including laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands, or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations, issued, entered, promulgated or approved thereunder ("Environmental Laws"); (ii) have received all permits licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses; and (iii) are in compliance with all terms and conditions of any such permit, license or approval where in each clause (i), (ii) and (iii), the failure to so comply could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

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

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

(p) Intellectual Property.

(i) To its Knowledge, the Company owns or possesses or has the right to use pursuant to a valid and enforceable written license, sublicense, agreement, or permission all Intellectual Property necessary for the operation of the business of the Company as presently conducted. The Company has provided the

Purchaser with a true and complete copy of each such written license, sublicense, agreement or permission.

(ii) To its Knowledge, the Intellectual Property does not interfere with, infringe upon, misappropriate, or otherwise come into conflict with, any Intellectual Property rights of third parties. The Company has not received any charge, complaint, claim, demand, or notice alleging any such interference, infringement, misappropriation, or conflict (including any claim that the Company must license or refrain from using any Intellectual Property rights of any third party). To the Knowledge of the Company, no third party has interfered with, infringed upon, misappropriated, or otherwise come into conflict with, any Intellectual Property rights of the Company.

(iii) The Company has no pending patent applications or applications for registration that it has made with respect to any Intellectual Property. Schedule 3.1(p)(iii) identifies each license, sublicense, agreement, or other permission that the Company has granted to any third party with respect to any of such Intellectual Property (together with any exceptions). The Company has delivered to the Purchaser correct and complete copies of all such licenses, sublicenses, agreements, and permissions (as amended to date) ("Intellectual Property Agreements"). Schedule 3.1(p)(iii) also identifies each registered and unregistered trademark, service mark, trade name, corporate name, URLs or Internet domain name used by the Company in connection with its business and which is not licensed from a third party. With respect to each item of Intellectual Property required to be identified in Schedule 3.1(p)(iii):

(A) The Company owns and possesses all right, title, and interest in and to the item, free and clear of any Lien, license, or other restriction or limitation regarding use or disclosure;

(B) The item is not subject to any outstanding injunction, judgment, order, decree, ruling, or charge;

(C) No Action, claim, or demand is pending or, to the Knowledge of the Company, is threatened that challenges the legality, validity, enforceability, use, or ownership by the Company; and

(D) The Company has not agreed to indemnify any Person for or against any interference, infringement, misappropriation, or other conflict with respect to the item.

(iv) Schedule 3.1(p)(iv) identifies each item of Intellectual Property that any third party owns and that the Company uses pursuant to license, sublicense, agreement, or permission, excluding off-the-shelf software purchased or licensed by the Company. The Company has delivered to the Purchaser correct

and complete copies of all such licenses, sublicenses, agreements, and permissions (each as amended to date) (each, a "Licensed Intellectual Property Agreement"). With respect to each Licensed Intellectual Property Agreement:

(A) The Licensed Intellectual Property Agreement is legal, valid, binding, enforceable, and in full force and effect;

(B) No party to the Licensed Intellectual Property Agreement is in breach or default, and no event has occurred that with notice or lapse of time would constitute a breach or default or permit termination, modification, or acceleration thereunder, which as to any such breach, default or event could have a Material Adverse Effect on the Company;

(C) No party to such Licensed Intellectual Property Agreement has repudiated any provision thereof;

(D) Except as set forth in such Licensed Intellectual Property Agreement, the Company has not received written or verbal notice or otherwise has Knowledge that the underlying item of Intellectual Property is subject to any outstanding injunction, judgment, order, decree, ruling, or charge; and

(E) Except as set forth on Schedule 3.1(p)(iv), the Company has not granted any sublicense or similar right with respect to the license, sublicense, agreement, or permission.

(v) The Company has complied with and is presently in compliance with all foreign, federal, state, local, governmental (including, but not limited to, the Federal Trade Commission and State Attorneys General), administrative, or regulatory laws, regulations, guidelines, and rules applicable to any personal identifiable information, except for non-compliance which will not have a Material Adverse Effect.

(vi) Each Person who participated in the creation, conception, invention or development of the Intellectual Property currently used in the business of the Company (each, a "Developer") which is not licensed from third parties has executed one or more agreements containing industry standard confidentiality, work for hire and assignment provisions, whereby the Developer has assigned to the Company all copyrights, patent rights, Intellectual Property rights and other rights in the Intellectual Property, including all rights in the Intellectual Property that existed prior to the assignment of rights by such Person to the Company. The Company has provided to the Purchaser copies of any such agreements and assignments from each such Developer.

(vii) Each Developer has signed a perpetual non-disclosure agreement with the Company. The Company has provided, or will provide prior to Closing, to the Purchaser copies any such non-disclosure agreements from each such Person, if any.

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

(r) Transactions With Affiliates and Employees. Except as set forth on Schedule 3.1(r), none of the officers or directors of the Company or any Subsidiary and, to the Knowledge of the Company, none of the employees of the Company or any Subsidiary is presently a party to any transaction with the Company or any Subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, providing for the borrowing of money from or lending of money to or otherwise requiring payments to or from any officer, director or such employee or, to the Knowledge of the Company, any entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee, stockholder, member or partner, in each case in excess of $120,000 other than for (i) payment of salary or consulting fees for services rendered, (ii) reimbursement for expenses incurred on behalf of the Company and (iii) other employee benefits, including stock option agreements under any stock option plan of the Company.

(s) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are not in compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the Effective Date, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the Effective Date and as of the Closing Date. The Company and the Subsidiaries do not maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have not established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. The Company's certifying officers have evaluated the effectiveness of the disclosure controls and procedures of the

Company and the Subsidiaries as of the end of the period covered by the most recently filed periodic report under the Exchange Act (such date, the "Evaluation Date"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date. Since the Evaluation Date, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

(t) Certain Fees. No brokerage or finder's fees or commissions are or will be payable by the Company or any Subsidiary to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

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

(v) Registration Rights. No Person has any right to cause the Company or any Subsidiary to effect the registration under the Securities Act of any securities of the Company or any Subsidiary except as disclosed on Schedule 3.1(v).

(w) Listing and Maintenance Requirements. The Company has not, in the 12 months preceding the date hereof, received notice from any Trading Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements. The Common Stock is currently eligible for electronic transfer through the Depository Trust Company or another established clearing corporation and the Company is current in payment of the fees to the Depository Trust Company (or such other established clearing corporation) in connection with such electronic transfer.

(x) Application of Takeover Protections. The Company and the Board of Directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation (or similar charter documents) or the laws of its state of incorporation that is or could become applicable to the Purchaser as a result of the Purchaser and the Company fulfilling their obligations or exercising their rights under the

Transaction Documents, including without limitation as a result of the Company's issuance of the Securities andthe Purchaser's ownership of the Securities.

(y) Disclosure. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, the Company confirms that neither it nor any other Person acting on its behalf has provided the Purchaser or its agents or counsel with any information that the Company believes constitutes or might constitute material, non-public information which is not otherwise disclosed in the SEC Reports. The Company understands and confirms that the Purchaser will rely on the foregoing representation in effecting transactions in securities of the Company. All of the disclosure furnished by or on behalf of the Company to the Purchaser regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that the Purchaser does not make nor have made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in Section 3.2 hereof.

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

(a a) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder, the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no Knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Effective Date. The SEC Reports set forth as of the Effective Date all outstanding secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. For the

purposes of this Agreement, "Indebtedness" means (v) any liabilities for borrowed money or amounts owed in excess of $25,000 (other than trade accounts payable incurred in the Ordinary Course of Business), (w) all guaranties, endorsements and other contingent obligations in respect of indebtedness of others, whether or not the same are or should be reflected in the Company's consolidated 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; (x) the present value of any lease payments in excess of $10,000 due under leases required to be capitalized in accordance with GAAP, (y) any indebtedness incurred in connection with the Cryptocurrency Transaction, and (z) Indebtedness of the Company to the directors and officers of the Company, including, without limitation, any indebtedness of the Company to David Lelong. Neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(bb) Tax Status. Except for matters that would not, individually or in the aggregate, exceed $25,000, the Company and its Subsidiaries each (i) has made or filed all United States federal, state and local income and all foreign income and franchise tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations and (iii) has set aside on its books provision reasonably adequate for the payment of all material taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in excess of $25,000 claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company or of any Subsidiary do not have any knowledge for any such claim.

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

(dd) Accountants. The Company's accounting firm is set forth in the SEC Reports. To the Knowledge and belief of the Company, such accounting firm (i) is a registered public accounting firm as required by the Exchange Act and (ii) shall express its opinion with respect to the financial statements to be included in the Company's Annual Report for the fiscal year ended August 31, 2018.

(ee) Acknowledgment Regarding the Purchaser's Purchase of Securities. The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of arm's length Purchaser with respect to the Transaction Documents and the transactions contemplated thereby. The Company further acknowledges that the Purchaser is not

acting as financial advisors or fiduciaries of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of its respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser's purchases of the Securities. The Company further represents to the Purchaser that the Company's decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

(ff) Acknowledgement Regarding the Purchaser's Trading Activity. Notwithstanding anything in this Agreement or elsewhere to the contrary (except for Sections 3.2(f) and 4.13 hereof), it is understood and acknowledged by the Company that: (i) the Purchaser has not been asked by the Company to agree, nor has the Purchaser agreed, to desist from purchasing or selling, long and/or short, securities of the Company, or "derivative" securities based on securities issued by the Company or to hold the Securities for any specified term; (ii) past or future open market or other transactions by the Purchaser, specifically including, without limitation, Short Sales or "derivative" transactions, before or after the closing of this or future private placement transactions, may negatively impact the market price of the Company's publicly-traded securities; (iii) the Purchaser, and counter-parties in "derivative" transactions to which the Purchaser is a party, directly or indirectly, presently may have a "short" position in the Common Stock, and (iv) the Purchaser shall not be deemed to have any affiliation with or control over any arm's length counter-party in any "derivative" transaction. The Company further understands and acknowledges that (y) the Purchaser may engage in hedging activities at various times during the period that the Securities are outstanding, and (z) such hedging activities (if any) could reduce the value of the existing stockholders' equity interests in the Company at and after the time that the hedging activities are being conducted. The Company acknowledges that such aforementioned hedging activities do not constitute a breach of any of the Transaction Documents.

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

(hh) Private Placement. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Note to the Purchaser as contemplated hereby.

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

(jj) No Disqualification Events. With respect to the Securities to be offered and sold hereunder in reliance on Rule 506(b) under the Securities Act, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the offering hereunder, any beneficial owner of 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" and, together, "Issuer Covered Persons") 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"). 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 Purchaser a copy of any disclosures provided thereunder.

(kk) Notice of Disqualification Events. The Company will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, reasonably be expected to become a Disqualification Event relating to any Issuer Covered Person, in each case of which it is aware.

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

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

(nn) 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.

(oo) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no Action or

Proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the Knowledge of the Company or any Subsidiary, threatened.

(pp) Contracts. Schedule 3.1(pp) lists the following contracts and other agreements to which the Company is a party which are still in effect:

(i) any agreement (or group of related agreements) for the lease of personal property to or from any Person providing for lease payments in excess of $25,000 per annum;

(ii) any agreement (or group of related agreements) for the purchase or sale of raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one year, result in a material loss to the Company, or involve consideration in excess of $25,000;

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

(iv) any material agreement (or group of related agreements) under which it has created, incurred, assumed, or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, in excess of $25,000 or under which it has imposed a security interest on any of its assets, tangible or intangible;

(v) any agreement concerning confidentiality or noncompetition other than with customers, clients and vendors in the Ordinary Course of Business;

(vi) any profit sharing, stock option, stock purchase, stock appreciation, deferred compensation, severance, or other material plan or arrangement for the benefit of its current or former directors, officers, and employees;

(vii) any collective bargaining agreement;

(viii) any agreement other than on an employment-at-will basis for the employment of any individual on a full-time, part-time, consulting, or other basis or providing severance benefits;

(ix) any agreement under which it has advanced or loaned any amount to any of its directors, officers, and employees outside the Ordinary Course of Business as of the Closing;

(x) any agreement under which the consequences of a default or termination may have a Material Adverse Effect on the Company; or

(xi) any other agreement (or group of related agreements) the performance of which involves consideration in excess of $25,000.

The Company has delivered to the Purchaser a correct and complete copy of each written agreement listed in Schedule 3.1(pp). With respect to each such agreement: (A) to the Company's Knowledge, the agreement is legal, valid, binding, enforceable, and in full force and effect in all material respects; (B) the Company has not received written notice from the counterparty that it is in breach or default; and (C) to the Company's Knowledge, no party has repudiated any provision of the agreement.

(qq) Real Property. The Company does not own any real property. Schedule 3.1(qq) lists all real property leased or subleased to the Company. The Company has delivered to the Purchaser correct and complete copies of the leases and subleases listed in Schedule 3.1(qq). With respect to each lease and sublease listed in Schedule 3.1(qq), except as otherwise stated therein:

(i) to the Company's Knowledge, the lease or sublease is legal, valid, binding, enforceable, and in full force and effect in all material respects;

(ii) to the Knowledge of the Company, no party to the lease or sublease is in material breach or material default; and

(iii) to the Knowledge of the Company, no party to the lease or sublease has repudiated any material provision thereof.

(rr) Guaranties. The Company is not a guarantor or otherwise is liable for any liability or obligation (including indebtedness) of any other Person.

(ss) Shell Company Status. The Company is not currently, but previously was, an issuer identified in Rule 144(i)(1) under the Securities Act.

(tt) Preferred Stock. As of the Effective Date, the only authorized and outstanding shares of preferred stock of the Company are its Series A Preferred stock consisting of 1,000 shares issued to Wellington Mannor Holdings ("WMH"). Such shares are convertible into no more than 3,000 shares of Common Stock. Neither WMH nor its beneficial owners are officers, directors or Affiliates of the Company.

(uu) Statements Not False or Misleading. No representation or warranty given as of the Effective Date by the Company contained in this Agreement or any Schedule attached hereto or any statement in any document, certificate or other instrument furnished or to be furnished by the Company to the Purchasers pursuant hereto or within or in connection with any Transaction Document taken as a whole, contains or will (as of the time so furnished) contain any untrue statement of a material fact, or omits or will (as of the time so furnished) omit to state any material fact which is necessary in order to make the statements contained therein not misleading.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants as of the Effective Date and as of its applicable Closing Date to the Company as follows (unless as of a specific date therein):

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

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

(c) The Purchaser Status. At the time the Purchaser was offered the Securities, it was, and as of the Effective Date it is, an accredited investor within the meaning of Rule 501 under the Securities Act.

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

(e) Access to Information. The Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and has been afforded, subject to Regulation FD, (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. The Purchaser acknowledges and agrees that neither the Company nor anyone else has provided the Purchaser with any information or advice with respect to the Securities nor is such information or advice necessary or desired.

(f) Certain Transactions and Confidentiality. Other than consummating the transactions contemplated hereunder, the Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with the Purchaser, directly or indirectly executed any purchases or sales, including Short Sales, of the securities of the Company during the period commencing as of the time that the Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material terms of the transactions contemplated hereunder and ending immediately prior to the execution hereof . Notwithstanding the foregoing, in the case of the Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of the Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of the Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other Persons party to this Agreement or to the Purchaser's representatives, including, without limitation, its officers, directors, partners, legal and other advisors, employees, agents and Affiliates, the Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect Short Sales or similar transactions in the future.

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

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Removal of Legends.

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

(b) The Purchaser agrees to the imprinting, so long as is required by thisSection 4.1, of a legend on any of the Shares in the following form:

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT WITH A REGISTERED BROKER-DEALER OR OTHER LOAN WITH A FINANCIAL INSTITUTION THAT IS AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT OR OTHER LOAN SECURED BY SUCH SECURITIES.

(c) The Company acknowledges and agrees that the Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Shares to a financial institution that is an “accredited investor” as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Shares to the pledgees or secured parties. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the Purchaser’s expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Shares may reasonably request in connection with a pledge or transfer of the Shares.

(d) Certificates evidencing the Shares shall not contain any legend (including the legend set forth inSection 4.1(b) hereof): (i) while a registration statement covering

the resale of such security is effective under the Securities Act, (ii) following any sale of such Shares pursuant to Rule 144, or (iii) if such legend is not required under applicable requirements of the Securities Act (including Section 4(a)(1), Section 4(a)(7), judicial interpretations and pronouncements issued by the staff of the SEC) (the "Effectiveness Date"). The Company shall, at its expense, cause its counsel to issue a legal opinion to the Transfer Agent promptly after the Effectiveness Date if required by the Transfer Agent to effect the removal of the legend hereunder. If all or any portion of a Note is converted at a time when there is an effective registration statement to cover the resale of the Shares, or if such Shares may be sold under Rule 144 and the Company is then in compliance with the current public information required under Rule 144, or if the Shares may be sold under Rule 144 without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such Shares and without volume or manner-of-sale restrictions or if such legend is not otherwise required under applicable requirements of the Securities Act (including Section 4(a)(1), judicial interpretations and pronouncements issued by the staff of the SEC) then such Shares shall be issued or reissued free of all legends. The Company agrees that following the Effectiveness Date or at such time as such legend is no longer required under this Section 4.1, it will, no later than two (2) Trading Days following the delivery by the Purchaser to the Company or the Transfer Agent of a certificate representing restricted Shares, as applicable, issued with a restrictive legend (such second Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to the Purchaser a certificate representing such Shares that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this Section 4.1. Certificates for Shares subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company system as directed by the Purchaser. In the event that the Company does not cause to be delivered any legal opinions to effect the foregoing, or as required by its Transfer Agent, to effect the removal of restrictive legends within three (3) days of the request to do so the Purchaser may provide an opinion prepared by its counsel to such effect, at the sole cost of the Company.

(e) In addition to the Purchaser's other available remedies, (i) the Company shall pay to the Purchaser, in cash, as partial liquidated damages and not as a penalty, for each $1,000 of per share purchase price and exercise price, respectively, of Shares (based on the VWAP of the Common Stock on the date such Shares are submitted to the Transfer Agent) delivered for removal of the restrictive legend and subject to Section 4.1(c), $10 per Trading Day for each Trading Day after the Legend Removal Date (increasing to $20 per Trading Day after the 10th Trading Day) until such certificate is delivered without a legend. Nothing herein shall limit the Purchaser's right to pursue actual damages for the Company's failure to deliver certificates representing any Securities as required by the Transaction Documents, and the Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, and (ii) if after the Legend Removal Date the Purchaser purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Purchaser of all or any portion of the number of shares of Common Stock, or a sale of a number of

shares of Common Stock equal to all or any portion of the number of shares of Common Stock that the Purchaser anticipated receiving from the Company without any restrictive legend, then, the Company shall pay the Purchaser, in cash, an amount equal to the excess of the Purchaser's total purchase price (including brokerage commissions and other out-of-pocket expenses, if any) for the shares of Common Stock so purchased (including brokerage commissions and other out-of-pocket expenses, if any) over the product of (A) such number of Shares that the Company was required to deliver to the Purchaser by the Legend Removal Date multiplied by (B) the lowest closing sale price of the Common Stock on any Trading Day during the period commencing on the date of the delivery by the Purchaser to the Company of the applicable Shares (as the case may be) and ending on the date of such delivery and payment under this Section 4.1(d).

(f) In the event the Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares, (i) the Company shall pay all fees and expenses associated with or required by the legend removal and/or transfer including but not limited to legal fees, transfer agent fees and overnight delivery charges and pay clearing firm charges in connection with the legend removal; and (ii) the Company may not refuse to deliver unlegended shares based on any claim that the Purchaser or anyone associated or affiliated with the Purchaser has not complied with the Purchaser's obligations under the Transaction Documents, or for any other reason, unless, an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such unlegended shares shall have been sought and obtained by the Company and the Company has posted a surety bond for the benefit of the Purchaser in the amount of the greater of (i) 15% of the amount of the aggregate purchase price of the Shares which is subject to the injunction or temporary restraining order, or (ii) the VWAP of the Common Stock on the trading day before the issue date of the injunction multiplied by the number of unlegended shares to be subject to the injunction, which bond shall remain in effect until the completion of the litigation of the dispute and the proceeds of which shall be payable to the Purchaser to the extent the Purchaser obtains judgment in the Purchaser's favor.

4.2 Furnishing of Information.

(a) Until the time that the Purchaser no longer owns Securities in the Company, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the Effective Date pursuant to the Exchange Act even if the Company is not then subject to the reporting requirements of the Exchange Act.

(b) At any time during the period commencing from the six (6) month anniversary of the Effective Date and ending at such time that all of the Shares may be sold without the requirement for the Company to be in compliance with Rule 144(c)(1) and otherwise without restriction or limitation pursuant to Rule 144, if the Company (i) shall fail for any reason to satisfy the current public information requirement under Rule 144(c) for a period of more than 30 consecutive days or (ii) has ever been an issuer described in Rule 144(i)(1)(i) or becomes an issuer in the future, and the Company shall fail to satisfy any condition set forth in Rule 144(i)(2) for a period of more than 30

consecutive days (a "Public Information Failure") then, in addition to the Purchaser's other available remedies, the Company shall pay to the Purchaser, in cash, as partial liquidated damages and not as a penalty, by reason of any such delay in or reduction of its ability to sell the Shares, an amount in cash equal to two percent (2.0%) of the aggregate Note Conversion Price of the Purchaser's Note on the day of a Public Information Failure and on every thirtieth (30th) day (pro-rated for periods totaling less than thirty days) thereafter until the earlier of (a) the date such Public Information Failure is cured and (b) such time that such public information is no longer required for the Purchaser to transfer the Shares pursuant to Rule 144. The payments to which the Purchaser shall be entitled pursuant to this Section 4.2(b) are referred to herein as "Public Information Failure Payments." Public Information Failure Payments shall be paid on the earlier of (i) the last day of the calendar month during which such Public Information Failure Payments are incurred and (ii) the third (3rd) Business Day after the event or failure giving rise to the Public Information Failure Payments is cured. In the event the Company fails to make Public Information Failure Payments in a timely manner, such Public Information Failure Payments shall bear interest at the rate of 1.5% per month (prorated for partial months) until paid in full. Nothing herein shall limit the Purchaser's right to pursue actual damages for the Public Information Failure, and the Purchaser shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2(a)(1) of the Securities Act) that would be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall file a Current Report on Form 8-K, including the Transaction Documents as exhibits thereto, with the SEC within seventy-two (72) hours of the Effective Date. From and after the filing of such Current Report on Form 8-K, the Company represents to the Purchaser that it shall have publicly disclosed all material, non-public information delivered to the Purchaser by the Company or any of its Subsidiaries, or any of its respective officers, directors, employees or agents in connection with the transactions contemplated by the Transaction Documents. In addition, effective upon the filing of the Current Report on Form 8-K described in this Section, 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, agents, employees or Affiliates on the one hand, and the Purchaser or any of its Affiliates on the other hand, shall terminate. The Company and the Purchaser shall consult with each other in issuing any press releases with respect to the transactions contemplated hereby, and neither the Company nor the Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of the Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the

foregoing, the Company shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the SEC or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, except (a) as required by federal securities law in connection with the filing of final Transaction Documents with the SEC and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b).

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

4.6 Non-Public Information. Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, which shall be disclosed pursuant to Section 4.4, the Company covenants and agrees that neither it, nor any other Person acting on its behalf will provide the Purchaser or its agents or counsel with any information that constitutes, or the Company reasonably believes constitutes, material non-public information, unless prior thereto the Purchaser shall have consented to the receipt of such information and agreed with the Company to keep such information confidential. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company. To the extent that the Company delivers any material, non-public information to the Purchaser without the Purchaser's consent, the Company hereby covenants and agrees that the Purchaser shall not have any duty of confidentiality to the Company, any of its Subsidiaries, or any of their respective officers, directors, agents, employees or Affiliates, or a duty to the Company, any of its Subsidiaries or any of their respective officers, directors, agents, employees or Affiliates not to trade on the basis of, such material, non-public information, provided that the Purchaser shall remain subject to applicable law. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the SEC pursuant to a Current Report on Form 8-K. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.7 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder for the repurchase of shareholder's equity and working capital purposes only and shall not use such proceeds: (a) for the settlement of any outstanding litigation, (b) in violation of FCPA or OFAC regulations, or (c) to lend money, give credit or make advances to any officers, directors, employees or Affiliates of the Company.

4.8 Indemnification of the Purchaser. Subject to the provisions of this Section 4.8, the Company will indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and

Section 20 of the Exchange Act), and the directors, officers, shareholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents, (b) any action instituted against Purchaser Party in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings Purchaser Party may have with any such stockholder or any violations by Purchaser Party of state or federal securities laws or any conduct by Purchaser Party which constitutes fraud, gross negligence, willful misconduct or malfeasance) or (c) any untrue or alleged untrue statement of a material fact contained in any registration statement, any prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading. If any action shall be brought against Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party. Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel, a material conflict on any material issue between the position of the Company and the position of Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to Purchaser Party under this Agreement (y) for any settlement by Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (z) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by Purchaser Party in this Agreement or in the other Transaction Documents. The indemnification required by this Section 4.8 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred. The indemnity agreements contained herein shall be in addition to any cause of action or similar right of Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to law.

4.9 Reservation of Common Stock. As of the Effective Date, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, and shall issue irrevocable instructions (the "ITAI") to its Transfer Agent

reserving for the conversion of the Notes and issuance of Shares thereby at least equal to the greater of (i) five times the number of shares of Common Stock necessary to allow the Purchaser to convert the Notes and accrued interest thereon to maturity in full or (ii) 19.9% of the current shares of Common Stock outstanding. The reserve shall be replenished as needed to allow for conversion of a Note. Upon full conversion of the Notes, the reserve representing the Notes shall be cancelled. The Company will pay all transfer agent costs associated with issuing and delivering the shares of Common Stock, subject to adjustment for stock splits and dividends, combinations and similar events. In addition to any other remedies provided by this Agreement or other Transaction Documents, if the Company at any time fails to meet this reservation of Common Stock requirement it shall pay the Purchaser as partial liquidated damages and not as a penalty a sum equal to $1,000 per day for each $100,000 ofthe Purchaser's Purchase Price and it shall sell to the Purchaser for $100 a series of preferred stock which contains the power to vote a number of votes equal to 51% of the number of votes eligible to vote at any special or annual meeting of the Company's shareholders (with the power to take action by written consent in lieu of a shareholders meeting) for the sole purpose of amending the Company's articles of incorporation to increase its authorized Common Stock. The Company shall not enter into any agreement or file any amendment to its articles of incorporation (including the filing of a certificate of designation) which conflicts with this Section 4.9 while the Notes remain outstanding.

4.10 L isting of Common Stock. The Company hereby agrees to use best efforts to maintain the listing or quotation of the Common Stock on the Trading Market on which it is currently listed, and concurrently with the Closing, the Company shall apply to list or quote all of the Shares on such Trading Market and promptly secure the listing of all of the Shares on such Trading Market to the extent required. The Company further agrees, if the Company applies to have the Common Stock traded on any other Trading Market, it will then include in such application all of the Shares, and will take such other action as is necessary to cause all of the Shares to be listed or quoted on such other Trading Market as promptly as possible. The Company will then take all action reasonably necessary to continue the listing and trading of its Common Stock on a Trading Market and will comply in all respects with the Company's reporting, filing and other obligations under the bylaws or rules of the Trading Market. The Company agrees to maintain the eligibility of the Common Stock for electronic transfer through the Depository Trust Company or another established clearing corporation, including, without limitation, by timely payment of fees to the Depository Trust Company or such other established clearing corporation in connection with such electronic transfer.

4.11 Future Financing; Right of First Refusal.

(a) From the Effective Date until the longer of (i) the date that is the one (1) year anniversary of the Effective Date or (ii) the date upon which the Notes have been fully converted, upon any contemplated issuance by the Company or any of its Subsidiaries of Common Stock or Common Stock Equivalents for cash consideration, Indebtedness or a combination of units hereof (a "Subsequent Financing"), the Purchaser shall have the right (the "ROFR") to participate in up to an amount of the Subsequent Financing equal to 100% of the Subsequent Financing on the same terms, conditions and price provided for in the Subsequent Financing. At least ten (10) Trading Days prior to the closing of the Subsequent Financing, the Company shall deliver to the Purchaser a

written notice of its intention to effect a Subsequent Financing ("Pre-Notice"), which Pre-Notice shall ask the Purchaser if it wants to review the details of such financing (such additional notice, a "Subsequent Financing Notice"). Upon the request of the Purchaser, and only upon a request by the Purchaser, for a Subsequent Financing Notice, the Company shall promptly, but no later than one (1) Trading Day after such request, deliver a Subsequent Financing Notice to the Purchaser. The Subsequent Financing Notice shall describe in reasonable detail the proposed terms of such Subsequent Financing, the amount of proceeds intended to be raised thereunder and the 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.

(b) The Purchaser desiring to exercise its ROFR must provide written notice to the Company by not later than 5:30 p.m. (New York City time) on the fifth (5th) Trading Day after the Purchaser has received the Pre-Notice that the Purchaser is willing to exercise its ROFR in connection with the Subsequent Financing, the amount of the Purchaser's participation, and representing and warranting that the Purchaser has such funds ready, willing, and available for investment on the terms set forth in the Subsequent Financing Notice. If the Company receives no such notice from the Purchaser as of such fifth (5th) Trading Day, the Purchaser shall be deemed to have notified the Company that it does not elect to exercise its ROFR.

(c) If by 5:30 p.m. (New York City time) on the fifth (5th) Trading Day after all of the Purchaser have received the Pre-Notice, notifications by the Purchaser of the Purchaser's 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 effect the remaining portion of such Subsequent Financing on the terms and with the Persons set forth in the Subsequent Financing Notice.

(d) The Company must provide the Purchaser with a second Subsequent Financing Notice, and the Purchaser will again have the right of participation set forth above in this Section 4.11, 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 thirty (30) Trading Days after the date of the initial Subsequent Financing Notice.

(e) The Company and the Purchaser agree that if the Purchaser elects to participate in the Subsequent Financing, the transaction documents related to the Subsequent Financing shall not include any term or provision whereby the Purchaser shall be required to agree to any restrictions on trading as to any of the Securities purchased hereunder 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 the Purchaser.

(f) Notwithstanding anything to the contrary in this Section 4.11 and unless otherwise agreed to by the Purchaser, the Company shall either confirm in writing to the Purchaser that the transaction with respect to the Subsequent Financing has been

abandoned or shall publicly disclose its intention to issue the securities in the Subsequent Financing, in either case in such a manner such that the Purchaser will not be in possession of any material, non-public information, by the tenth (10th) Business Day following delivery of the Subsequent Financing Notice. If by such tenth (10th) Business Day, no public disclosure regarding a transaction with respect to the Subsequent Financing has been made, and no notice regarding the abandonment of such transaction has been received by the Purchaser, such transaction shall be deemed to have been abandoned and the Purchaser shall not be deemed to be in possession of any material, non-public information with respect to the Company or any of its Subsidiaries.

(g) Notwithstanding the foregoing, this Section 4.11 shall not apply in respect of an Exempt Issuance or a public offering registered with the SEC.

4.12 Subsequent Equity Sales.

(a) From the date hereof until 30 days after the Closing Date, neither the Company nor any Subsidiary shall issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or Common Stock Equivalents.

(b) From the date hereof until such time as the Purchaser no longer holds any of the Securities, the Company will not, without the consent of the Purchaser, enter into any Equity Line of Credit or similar agreement, nor issue nor agree to issue any Common Stock, floating or Variable Priced Equity Linked Instruments nor any of the foregoing or equity with price reset rights (subject to adjustment for stock splits, distributions, dividends, recapitalizations and the like) (collectively, the "Variable Rate Transaction"). For purposes hereof, "Equity Line of Credit" shall include any transaction involving a written agreement between the Company and an investor or underwriter whereby the Company has the right to "put" its securities to the investor or underwriter over an agreed period of time and at an agreed price or price formula, and "Variable Priced Equity Linked Instruments" shall include: (A) any debt or equity securities which are convertible into, exercisable or exchangeable for, or carry the right to receive additional shares of Common Stock either (1) at any conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such debt or equity security, or (2) with a fixed conversion, exercise or exchange price that is subject to being reset at some future date at any time after the initial issuance of such debt or equity security due to a change in the market price of the Company's Common Stock since date of initial issuance, and (B) any amortizing convertible security which amortizes prior to its maturity date, where the Company is required or has the option to (or any investor in such transaction has the option to require the Company to) make such amortization payments in shares of Common Stock which are valued at a price that is based upon and/or varies with the trading prices of or quotations for Common Stock at any time after the initial issuance of such debt or equity security (whether or not such payments in stock are subject to certain equity conditions). For purposes of determining the total consideration for a convertible instrument (including a right to purchase equity of the Company) issued, subject to an original issue or similar discount or which principal amount is directly or indirectly

increased after issuance, the consideration will be deemed to be the actual cash amount received by the Company in consideration of the original issuance of such convertible instrument.

(c) From the Effective Date until such time as the Purchaser no longer holds any Securities, in the event that the Company issues or sells any Common Stock or Common Stock Equivalents on terms which are more favorable than under the Transaction Documents, if the Purchaser then holding Securities purchased under this Agreement reasonably believes that any of the terms and conditions appurtenant to such issuance or sale are more favorable to such investors than are the terms and conditions granted to the Purchaser hereunder, upon notice to the Company by the Purchaser within five Trading Days after disclosure of such issuance or sale, the Company shall amend the terms of this transaction as to the Purchaser only so as to give the Purchaser the benefit of such more favorable terms or conditions.

(d) Notwithstanding the foregoing, this Section 4.12 shall not apply in respect of an Exempt Issuance (except that no Variable Rate Transaction shall be an Exempt Issuance) and shall only apply as to price terms in respect of any rights offering. The Company shall provide the Purchaser with notice of any such issuance or sale in the manner for disclosure of Subsequent Financings set forth in Section 4.11. Nothing in this Section 4.12(d) shall be deemed to modify Section 4.12(b).

4.13 Certain Transactions and Confidentiality. The Purchaser covenants that neither it nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any purchases or sales, including Short Sales of any of the Company's securities during the period commencing with the execution of this Agreement and ending at such time that the transactions contemplated by this Agreement are first publicly announced pursuant to the Current Report on Form 8-K described in Section 4.4. The Purchaser covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the Company pursuant to the Current Report on Form 8-K described in Section 4.4, the Purchaser will maintain the confidentiality of the existence and terms of this transaction and the information included in the Disclosure Schedules. Notwithstanding the foregoing and notwithstanding anything contained in this Agreement to the contrary, the Company expressly acknowledges and agrees that (i) the Purchaser shall not make any representation, warranty or covenant hereby that it will not engage in effecting transactions in any securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the Current Report on Form 8-K described in Section 4.4, (ii) the Purchaser shall not be restricted or prohibited from effecting any transactions in any securities of the Company in accordance with applicable securities laws from and after the time that the transactions contemplated by this Agreement are first publicly announced pursuant to the Current Report on Form 8-K described in Section 4.4 and (iii) the Purchaser shall not have any duty of confidentiality or duty not to trade in the securities of the Company to the Company or its Subsidiaries after the filing of the Current Report on Form 8-K described in Section 4.4. Notwithstanding the foregoing, in the case of the Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of the Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of the Purchaser's assets, the covenant set forth above shall only apply with respect to the portion

of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement.

4.14 Capital Changes. Until the one (1) year anniversary of the Closing Date, the Company shall not undertake a reverse or forward stock split or reclassification of the Common Stock without the prior written consent of the Purchaser.

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

4.16 DTC Program. For so long as the Notes are outstanding, the Company will employ as the Transfer Agent for the Common Stock a participant in the Depository Trust Company Automated Securities Transfer Program and cause the Common Stock to be transferable pursuant to such program.

4.17 Maintenance of Property. The Company shall keep all of its property, which is necessary or useful to the conduct of its business, in good working order and condition, ordinary wear and tear excepted.

4.18 Preservation of Corporate Existence. The Company shall preserve and maintain its corporate existence, rights, privileges and franchises in the jurisdiction of its incorporation, and qualify and remain qualified, as a foreign corporation in each jurisdiction in which such qualification is necessary in view of its business or operations and where the failure to qualify or remain qualified might reasonably have a Material Adverse Effect.

4.19 D&O Insurance. Within 150 days following the Effective Date, the Company shall deliver proof to the Purchaser of the Company's directors and officers liability insurance in such form evidencing the same as directed by the Purchaser, not to exceed a total of $2 million.

4.20 Preferred Stock. From the Effective Date until full repayment or other complete satisfaction of the Notes, the Company will neither amend the terms of its existing preferred stock nor create any series of preferred stock without the express written consent of the Collateral Agent.

4.21 Retention of Counsel. From the Effective Date until the later of (i) full repayment or other complete satisfaction of the Notes or (ii) the expiration of twelve (12) months, the Company shall retain the counsel of Nason Yeager Gerson White & Lioce, P.A. as its outside securities counsel for SEC compliance purposes and for the preparation of all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof.

ARTICLE V.
COLLATERAL AGENT

5.1 Appointment of Collateral Agent. The parties hereby irrevocably appoint _____as the Collateral Agent (and the Collateral Agent hereby accepts such appointment). The Collateral Agent may take any action that the Collateral Agent deems necessary or proper for the administration of the Collateral including, without limitation: (i) the registration of any Collateral in the name of the Collateral Agent or its nominees prior to or during the continuance of an Event of Default, (ii) the exercise of voting rights upon the occurrence and during the continuance of an Event of Default, (iii) the exercise of any remedies given to the Purchaser or the Collateral Agent pursuant to this Agreement or the other Transaction Documents, and (iv) the exercise of any authority pursuant to the appointment of the Collateral Agent as an attorney-in-fact pursuant to Section 5.2 hereof. Upon realizing any of the Collateral in accordance with this Agreement or the other Transaction Documents, the Collateral Agent shall promptly distribute any cash or Collateral after deduction of any amounts pursuant to Section 5.3 hereof.

5.2 Action by Collateral Agent; Power of Attorney.

(a) The Collateral Agent shall have the right, but not the obligation, to take any action and execute any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes of this Agreement or the other Transaction Documents. No Purchaser (other than the Collateral Agent) shall have the right to take any action, execute any instrument or cause the Collateral Agent to do any of the foregoing with respect to this Agreement or the other Transaction Documents.

(b) To effectuate the terms and provisions of this Agreement or the other Transaction Documents, the parties hereby irrevocably appoint the Collateral Agent as the Purchaser's attorney-in-fact (and the Collateral Agent hereby accepts such appointment) for the purpose of carrying out the provisions of this Agreement or the other Transaction Documents, including, without limitation, the taking of any action and the execution of any instrument that the Collateral Agent may deem necessary or advisable to accomplish the purposes hereof.

(c) All acts done under the foregoing authorization are hereby ratified and approved and neither the Collateral Agent nor any designee nor agent thereof shall be liable for any acts of commission or omission, for any error of judgment, for any mistake of fact or law except for acts of gross negligence or willful misconduct.

(d) This power of attorney, being coupled with an interest, is irrevocable while this Agreement or any Transaction Document remains in effect.

5.3 Expenses of the Collateral Agent. The Company shall pay any and all costs and expenses incurred by the Collateral Agent, all waivers, releases, discharges, satisfactions, modifications and amendments of this Agreement, the administration and holding of the Collateral, insurance expenses, and the enforcement, protection and adjudication of the parties' rights hereunder by the Collateral Agent, including, without limitation, the reasonable disbursements, expenses and fees of the attorneys the Collateral Agent may retain, if any. The Collateral Agent

may rely on any notice without independent verification or on any other source of information, including the Company.

5.4 Reliance on Documents and Experts. The Collateral Agent shall be entitled to rely upon any notice, consent, certificate, affidavit, statement, paper, document, writing or communication (which may be by telegram, cable, electronic mail, or telephone) reasonably believed by it to be genuine and to have been signed, sent or made by the proper person or persons, and upon opinions and advice of its own legal counsel, independent public accountants and other experts selected by the Collateral Agent.

5.5 Duties of the Collateral Agent; Standard of Care.

(a) The Collateral Agent's only duties are those expressly set forth in this Agreement or the other Transaction Documents, and the Collateral Agent is hereby authorized to perform those duties in accordance with commercially reasonable practices. The Collateral Agent may: (i) exercise or enforce any of its rights, powers, privileges, remedies and interests under this Agreement, the other Transaction Documents or applicable law, or (ii) perform any of its duties under this Agreement or the other Transaction Documents, by or through its officers, directors, employees, attorneys, or agents.

(b) The Collateral Agent shall act in good faith and with that degree of care that an ordinarily prudent person in a like position would use under similar circumstances.

5.6 Exculpation. The Collateral Agent, its Affiliates and each of their respective officers, directors, employees, attorneys and agents, shall not incur any liability whatsoever for the holding or delivery of documents or the taking of any other action in accordance with the terms and provisions of this Agreement or the other Transaction Documents, for any mistake or error in judgment, for compliance with any applicable law or any attachment, order or other directive of any court or other authority (irrespective of any conflicting term or provision of this Agreement or the other Transaction Documents), or for any act or omission of any Person engaged by the Collateral Agent in connection with this Agreement or the other Transaction Documents, unless occasioned by the exculpated Person's own gross negligence or willful misconduct; and each party hereto hereby waives any and all claims and actions whatsoever against the Collateral Agent, its Affiliates and each of their respective officers, directors, employees, attorneys and agents, arising out of or related directly or indirectly to any or all of the foregoing acts, omissions and circumstances.

5.7 Indemnification. Each Purchaser other than the Collateral Agent hereby agrees to indemnify, defend and hold harmless the Collateral Agent, its Affiliates and each of their officers, directors, employees, attorneys and agents, severally but not jointly, from and against any and all claims, liabilities, losses and expenses that may be imposed upon, incurred by, or asserted against any of them, arising out of or related directly or indirectly to this Agreement or any other Transaction Document, except such as are occasioned by the indemnified party's own gross negligence or willful misconduct.

ARTICLE VI.
MISCELLANEOUS

6.1 Fees and Expenses. Except as expressly set forth below and in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any exercise notice delivered by the Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to a Purchaser.

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

6.3 Notices. All notices, offers, acceptance and other acts under this Agreement (except payment) shall be in writing and shall be sufficiently given if delivered to the addressees in person, by Federal Express or similar overnight next business day delivery, or by email delivery followed by overnight next business day delivery as follows:

To the Company: Sport Endurance, Inc.
222 Broadway, 19th Floor
New York, NY 10038
Attention: David Lelong
Email: david@sportendurancehq.com

With a Copy to: Nason Yeager Gerson White & Lioce, P.A.
3001 PGA Boulevard, Suite 305
Palm Beach Gardens, FL 33410
Attention: Michael D. Harris, Esq.
Email: mharris@nasonyeager.com

To Purchaser:

or to such other address as any of them, by notice to the other may designate from time to time. Time shall be counted from the date of transmission.

6.4 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and each Purchaser having executed this Agreement or a Joinder Agreement prior to such amendment. 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 either party to exercise any right

hereunder in any manner impair the exercise of any such right. Any amendment effected in accordance with this Section 6.4 shall be binding upon the Purchaser and the Company.

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

6.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). Purchaser may assign any or all of its rights under this Agreement to any Person to whom Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound by the provisions of the Transaction Documents that apply to the "Purchaser", including, but not limited to, the execution of a joinder agreement in the form attached as Exhibit D hereto (the "Joinder Agreement").

6.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.8 and this Section 6.7.

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

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

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

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

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

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

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

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

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

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

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

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

6.20 Recitals. The Recitals hereto are incorporated herein by reference and made a part of this Agreement to the same extent and with the same force and effect as if fully set forth herein.

(Signature Pages Follow)

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

SPORT ENDURANCE, INC.

By:_____
Name: David Lelong
Title: President

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGE TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, Purchaser has caused this Securities Purchase Agreement to be duly executed by its respective authorized signatories as of the Effective Date.

Name of Purchaser: _____
Signature of Authorized Signatory of Purchaser: _____
Name of Authorized Signatory: _____
Title of Authorized Signatory: _____ _____
Email Address of Authorized Signatory: _____
Facsimile Number of Authorized Signatory: _____
Address for Delivery of Securities to Purchaser (if not same as address for notice):

_____
_____
_____

Purchase Price:

EIN Number: _____

EXHIBIT D
JOINDER AGREEMENT

Form of Joinder to Securities Purchase Agreement

The undersigned, _____, hereby joins in the execution of that certain Securities Purchase Agreement dated as of March __, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "SPA") by and among Sport Endurance, Inc., a Nevada corporation ("Company"),_____ ("Purchaser") and such other parties that may become parties to the SPA from time to time. By executing this Joinder, the undersigned hereby agrees that it is a Purchaser thereunder and agrees to be bound by the terms and conditions of the SPA, including, but not limited to, all representations, warranties and covenants of a Purchaser under the SPA and all related Transaction Documents, in each case with the same force and effect as if the undersigned was a signatory to the SPA and such related Transaction Documents and was expressly named therein.

_____, a _____
By:
Title:
FEIN: _____
Address: