

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Amendment to Loan Agreement

CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Deerpath Capital II, LP		09/13/2013	LIMITED PARTNERSHIP: DELAWARE

RECEIVING PARTY DATA	
Name:	Pondfield Capital, LLC
Street Address:	405 Lexington Avenue
Internal Address:	71st Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10174
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE

PROPERTY NUMBERS Total: 8		
Property Type	Number	Word Mark
Registration Number:	3882026	SYSTEM
Registration Number:	3878435	SYSTEM
Registration Number:	3637892	AVATAR
Registration Number:	3637927	V AVATAR
Serial Number:	85806744	SYSTEM PLAYER
Serial Number:	85806752	SYSTEM CREATOR
Serial Number:	85806764	SYSTEM MANAGER
Serial Number:	85806768	SYSTEM EXPRESS

CORRESPONDENCE DATA	
Fax Number:	7132266308
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	713.226.6708

CH \$215.00 3882026

Email: gloperena@porterhedges.com
Correspondent Name: Gabriel M. Loperena
Address Line 1: 1000 Main St.
Address Line 2: Floor 36
Address Line 4: Houston, TEXAS 77002

ATTORNEY DOCKET NUMBER:	010997-0056
NAME OF SUBMITTER:	Gabriel M. Loperena
Signature:	/Gabriel M. Loperena/
Date:	09/17/2013

Total Attachments: 16

source=AmendmentAgrmt#page1.tif
source=AmendmentAgrmt#page2.tif
source=AmendmentAgrmt#page3.tif
source=AmendmentAgrmt#page4.tif
source=AmendmentAgrmt#page5.tif
source=AmendmentAgrmt#page6.tif
source=AmendmentAgrmt#page7.tif
source=AmendmentAgrmt#page8.tif
source=AmendmentAgrmt#page9.tif
source=AmendmentAgrmt#page10.tif
source=AmendmentAgrmt#page11.tif
source=AmendmentAgrmt#page12.tif
source=AmendmentAgrmt#page13.tif
source=AmendmentAgrmt#page14.tif
source=AmendmentAgrmt#page15.tif
source=AmendmentAgrmt#page16.tif

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "*First Amendment*") is entered into as of September 13, 2013 (the "*First Amendment Date*"), by and among ALCHEMY INVESTMENT HOLDINGS, INC., a Delaware corporation ("*Holdings*"), ANGUS MANAGEMENT, LLC, a Delaware limited liability company ("*Management*"), ALCHEMY SYSTEMS L.P., a Texas limited partnership (the "*Company*"), ALCHEMY SYSTEMS TRAINING, INC., a Texas corporation ("*Systems*"), and the other borrowers from time to time party to the Loan Agreement (defined below) (together with Holdings, Management, Systems and the Company, each, a "*Borrower*" and, collectively, "*Borrowers*"), DEERPATH CAPITAL II, LP, a Delaware limited partnership ("*Deerpath*"), PONDFIELD CAPITAL, LLC, a Delaware limited liability company ("*Pondfield Capital*"), DEERPATH CAPITAL, LP, a Delaware limited partnership ("*Deerpath Capital*"), and the other lenders from time to time party to the Loan Agreement (together with Deerpath, Pondfield Capital and Deerpath Capital, each, a "*Lender*" and, collectively, the "*Lenders*"), and Pondfield Capital, as administrative agent and collateral agent for itself and the other Lenders (in such capacity, "*Agent*"). Capitalized terms used, but not defined, in this First Amendment have the respective meanings given them in the Loan Agreement.

RECITALS

A. Borrowers, Deerpath and Agent have entered into that certain Loan Agreement dated as of December 28, 2012 (as may be further amended, restated, supplemented or otherwise modified from time to time, the "*Loan Agreement*"), pursuant to which Deerpath (as the sole Lender prior to the First Amendment Date) has made (i) a commitment to provide senior secured revolving loans in an aggregate amount not to exceed \$2,000,000 at any one time outstanding, (ii) a single advance senior secured term loan on the Closing Date in the amount of \$10,000,000, and (iii) a conditional commitment to provide additional term loans from time to time following the Closing Date in an aggregate amount not to exceed \$4,000,000.

B. Upon the execution and delivery of this First Amendment and effective as of the First Amendment Date:

(i) Each of Pondfield Capital and Deerpath Capital is (i) joining the Loan Agreement and becoming a "Lender" under the Loan Agreement, effective as of the First Amendment Date, subject to all of the terms, covenants, conditions, limitations, restrictions and provisions contained therein, and (ii) agreeing that the Loan Agreement and the other Loan Documents (including, but not limited to, the Sponsor Subordination Agreement) shall be binding upon and inure to the benefit of its successors and assigns; and

(ii) Pursuant to *Section 13.6* of the Loan Agreement, Deerpath is resigning as Agent under the Loan Agreement and the Lenders are appointing Pondfield Capital as successor Agent to Deerpath under the Loan Agreement.

C. Concurrently with the execution and delivery of this First Amendment, Alchemy Training Technologies, Inc., a New Brunswick corporation and a wholly owned subsidiary of Systems ("*Technologies*"), and Holdings have entered into that certain Stock Purchase Agreement dated the First Amendment Date (the "*Catalyst Purchase Agreement*") with the

Sellers (as defined in the Catalyst Purchase Agreement) (collectively, the “*Catalyst Sellers*”), and Catalyst Awareness, Inc., an Ontario corporation (“*Catalyst*”), pursuant to which, among other things, Technologies has agreed to purchase all of the issued and outstanding shares of capital stock of Catalyst from the Catalyst Sellers, all on the terms and subject to the conditions set forth therein (the “*Catalyst Acquisition*”); and

D. Borrowers have requested that Lenders (i) make an Additional Term Loan out of the Additional Term Loan Commitment to Borrowers on the First Amendment Date in an amount equal to \$4,000,000, to fund a portion of the cash purchase consideration for the Catalyst Acquisition (the “*Catalyst Acquisition Additional Term Loan*”), and (ii) make certain other modifications to the Loan Agreement, and Agent and Lenders have agreed to the foregoing requests of Borrowers, with Pondfield Capital and Deerpath Capital, collectively, funding 100% of such Additional Term Loan to Borrowers on behalf of Lenders, on the terms and subject to the conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned hereby agree as follows:

Section 1. Amendments to Loan Agreement.

1.1 The Recitals to this First Amendment are incorporated into and made a part of the Loan Agreement.

1.2 *Section 1.1* of the Loan Agreement is amended to add the following definitions:

Canadian Foreign Subsidiaries means Technologies and Catalyst.

Catalyst is defined in the Recitals to the First Amendment.

Catalyst Acquisition is defined in the Recitals to the First Amendment.

Catalyst Acquisition Additional Term Loan is defined in the Recitals to the First Amendment.

Catalyst Acquisition Earnout Obligation means the obligations of Technologies to make the Earnout Payments (as defined in the Catalyst Purchase Agreement) to Catalyst Sellers pursuant to Section 2.5 of the Catalyst Purchase Agreement.

Catalyst Acquisition Earnout Guaranty Obligation means the obligations of Holdings to guarantee the Catalyst Acquisition Earnout Obligation pursuant to Section 8.17 of the Catalyst Purchase Agreement.

Catalyst Purchase Agreement is defined in the Recitals to the First Amendment.

Catalyst Purchase Consideration means, the sum of (i) the Final Purchase Price (as defined in the Catalyst Purchase Agreement) and (ii) the Catalyst Acquisition Earnout Obligation.

Catalyst Purchase Documents means, collectively, the Catalyst Purchase Agreement and the other Ancillary Agreements (as defined in the Catalyst Purchase Agreement).

Catalyst Sellers is defined in the Recitals to the First Amendment.

Deerpath Capital means Deerpath Capital, LP, a Delaware limited partnership.

Deerpath Capital Additional Term Note (Catalyst Acquisition) means that certain Additional Term Note executed by Borrowers on the First Amendment Date and made payable to Deerpath Capital in an original principal amount equal to \$717,948.72, which is Deerpath Capital's portion of the Catalyst Acquisition Additional Term Loan, and all renewals, increases, modifications, amendment, supplements, restatements and replacements of, or substitutions for, that promissory note.

First Amendment means that certain First Amendment to this Agreement dated the First Amendment Date, by and among Borrowers, Lenders and Agent.

First Amendment Date means September 13, 2013.

Pondfield Capital means Pondfield Capital, LLC, a Delaware limited liability company.

Pondfield Capital Additional Term Note (Catalyst Acquisition) means that certain Additional Term Note executed by Borrowers on the First Amendment Date and made payable to Pondfield Capital in an original principal amount equal to \$3,282,051.28, which is Pondfield Capital's portion of the Catalyst Acquisition Additional Term Loan, and all renewals, increases, modifications, amendment, supplements, restatements and replacements of, or substitutions for, that promissory note.

1.3 The definition of "**Cash Distributions**" is deleted in its entirety and replaced with the following:

Cash Distributions means a Distribution made in cash, except for (a) Distributions made from a Borrower to another Borrower, (b) Distributions in connection with the Merger or as contemplated by the Merger Documents, (c) Distributions in connection with the Catalyst Acquisition or as contemplated by the Catalyst Purchase Documents and (d) Distributions made from a Subsidiary of a Borrower to a Borrower.

1.4 The definition of "**EBITDA**" is deleted in its entirety and replaced with the following:

EBITDA means, without duplication, for any period, Net Income for such period *plus* each of the following, in each case, determined on a consolidated basis in accordance with GAAP for all Borrowers:

- (a) depreciation and amortization, including without limitation impairment charges against goodwill and other intangible assets, Net Interest Expense and Taxes, in each case, determined on a consolidated basis for Borrowers in accordance with GAAP for such period *plus (or minus)*
- (b) any non-cash charges, losses or expenses (*or non-cash income*), including without limitation compensation expense recognized under stock option plans, the recognition of purchase accounting adjustments, non-cash foreign currency exchange losses, and non-cash losses or expenses deducted as a result of any grant of Equity Securities to employees, officers or directors and other non-cash incentive compensation, in each case, determined on a consolidated basis for Borrowers in accordance with GAAP for such period;
- (c) fees and expenses (including, without limitation, due diligence expenses) in connection with this Agreement, the other Loan Documents (including the First Amendment) and the Related Transactions for such period;
- (d) fees and expenses payable to outside board members of any Borrower;
- (e) non-recurring costs and expenses for such period, in an amount not to exceed (i) \$1,000,000 for the fiscal year ending December 31, 2013, (ii) \$750,000, *plus* any unused amounts from subsection (i) above, for the fiscal year ending December 31, 2014, or (iii) \$250,000 for any succeeding twelve (12) month period, in each case except with the approval of Agent;
- (f) non-cash restructuring charges or reserves for such period;
- (g) Permitted Sponsor-Appointed Executive Payments not to exceed \$200,000 in the aggregate in any fiscal year and expenses paid, reimbursed or accrued to Sponsor and/or such operating executive;
- (h) fees payable to Agent or Lenders under the Loan Documents for such period;
- (i) insurance premiums for Key Man Life Insurance;
- (j) non-cash net gain or loss arising from the sale, exchange or other disposition of capital assets (including fixed assets and capital stock) for such period other than in the ordinary course of business;
- (k) non-cash write-up or write-down of Borrowers' assets for such period;
- (l) provision for receipt of insurance and/or condemnation proceeds to the extent same or related asset dispositions adversely affects Net Income for such period;
- (m) changes in Deferred Revenue of Borrowers (excluding Deferred Revenue relating to Catalyst) for such period, which is intended to modify GAAP revenue to billings; and

Purchase Agreement) pursuant to Section 2.4 of the Catalyst Purchase Agreement; and

(n) the Catalyst Acquisition Earnout Guaranty Obligation.”

1.7 The definition of “*Related Transactions*” is deleted in its entirety and replaced with the following:

Related Transactions means the Sponsor Equity Investment, the Sponsor Subordinated Debt Financing, the Merger and the Catalyst Acquisition.

1.8 The definition of “*Term Note*” and “*Term Notes*” is deleted in its entirety and replaced with the following:

Term Note means individually, and *Term Notes* means collectively, each of the Deerpath Initial Term Note, the Pondfield Capital Additional Term Note (Catalyst Acquisition), the Deerpath Capital Additional Term Note (Catalyst Acquisition), any other Additional Term Note and any other promissory note issued to Deerpath, Pondfield Capital, Deerpath Capital or any other Lender and evidencing all or any portion of the Term Loan, and any promissory notes issued in substitution or replacement thereof.

1.9 *Section 9.4* of the Loan Agreement is amended to (a) delete the “and” at the end of *subsection (s)* of such definition, (b) delete the “.” at the end of *subsection (t)* of such definition and replace it with “;”, and (c) add new *subsections (u)* and *(v)* to such definition, as follows:

“(u) loans from Borrowers to the Canadian Foreign Subsidiaries in an amount not to exceed \$1,500,000 in any fiscal year; and

(v) contributions from the Borrowers to Technologies in an aggregate amount not to exceed \$6,111,220 to fund the Catalyst Purchase Consideration.”

1.10 *Section 9.10(a)* of the Loan Agreement is deleted in its entirety and replaced with the following:

“(a) No Borrower may engage in any business except the business in which it is engaged as of the First Amendment Date or businesses reasonably related or complementary thereto. As of the First Amendment Date, (i) Holdings’ business and purpose is to own and hold the equity interests of the Company, (ii) the Company’s business and purpose is the development, provision, marketing and sale of (A) food and workplace training services; and/or (B) a software-based platform for the (x) development and management of food and workplace safety training programs, (y) development of custom training course content by the customer; and (z) reporting relating to the status and progress of food and workplace training programs sold to customers in the food manufacturing, processing and distribution, farming and growing, retail grocery, and foodservice industries and (iii) Catalyst’s business means the development, provision, marketing and/or sale of consulting services and/or print materials and/or internet courses for (A) corporate employee communication, workplace safety, loss

prevention and awareness, and (B) software-based platforms for the management of and reporting related to corporate employee communication, food safety, workplace safety, loss prevention and awareness programs (and in the case of each of (A) and (B) of this *clause (iii)*, sold to customers in food manufacturing, processing and distribution, farming and growing, retail grocery, mall or department store, pharmacy, convenience stores, retail home improvement and/or the foodservice or restaurant industries).”

1.11 **Section 10** of the Loan Agreement is deleted in its entirety and replaced with the following:

“Each Borrower covenants jointly and severally that, except with the prior written consent of Required Lenders, for so long as all or any portion of the Loans or any other Obligation (other than unasserted contingent obligations) remains outstanding and until all commitments of Lenders hereunder have been terminated or expired:

10.1 **Funded Debt to EBITDA Ratio.** The Funded Debt to EBITDA Ratio may not exceed the ratio set out below as of any of the following testing dates:

December 31, 2013	8.50 to 1.00
March 31, 2014	8.50 to 1.00
June 30, 2014	8.50 to 1.00
September 30, 2014	8.00 to 1.00
December 31, 2014	8.00 to 1.00
Any testing date in Borrower’s fiscal year 2015	5.00 to 1.00
Any testing date thereafter	4.00 to 1.00

10.2 **Senior Debt to EBITDA Ratio.** The Senior Debt to EBITDA Ratio may not exceed the ratio set out below as of any of the following testing dates:

December 31, 2013	5.50 to 1.00
March 31, 2014	5.50 to 1.00
June 30, 2014	5.50 to 1.00
September 30, 2014	5.00 to 1.00
December 31, 2014	5.00 to 1.00
Any testing date in Borrower’s fiscal year 2015	3.00 to 1.00
Any testing date thereafter	2.00 to 1.00

10.3 **Fixed Charge Coverage Ratio.** The Fixed Charge Coverage Ratio may not be less than the ratio set out below as of any of the following testing dates:

December 31, 2013	1.00 to 1.00
March 31, 2014	1.00 to 1.00
June 30, 2014	1.00 to 1.00
September 30, 2014	1.00 to 1.00
December 31, 2014	1.05 to 1.00
Any testing date in Borrower's fiscal year 2015	1.15 to 1.00
Any testing date thereafter	1.20 to 1.00

Each of the covenants in this *Section 10* shall be tested on a quarterly basis, as of the last day of each fiscal quarter of Borrowers, commencing with the fiscal quarter ending March 31, 2013.”

Section 2. Joinder of Pondfield Capital to the Loan Agreement. Effective as of the First Amendment Date, Pondfield Capital hereby (a) joins the Loan Agreement and becomes a “Lender” under the Loan Agreement, subject to all of the terms, covenants, conditions, limitations, restrictions and provisions contained therein, and (ii) agrees that the Loan Agreement and the other Loan Documents (including, but not limited to, the Sponsor Subordination Agreement) shall be binding upon and inure to the benefit of Pondfield Capital and its successors and assigns.

Section 3. Joinder of Deerpath Capital to the Loan Agreement. Effective as of the First Amendment Date, Deerpath Capital hereby (a) joins the Loan Agreement and becomes a “Lender” under the Loan Agreement, subject to all of the terms, covenants, conditions, limitations, restrictions and provisions contained therein, and (ii) agrees that the Loan Agreement and the other Loan Documents (including, but not limited to, the Sponsor Subordination Agreement) shall be binding upon and inure to the benefit of Deerpath Capital and its successors and assigns.

Section 4. Resignation of Deerpath as Agent and Appointment of Pondfield Capital as successor Agent under the Loan Agreement. Effective as of the First Amendment Date, (a) pursuant to ***Section 13.6(a)*** of the Loan Agreement, Deerpath hereby resigns as Agent under the Loan Agreement, (b) pursuant to ***Section 13.6(b)*** of the Loan Agreement, the undersigned Lenders, which collectively hold a majority of the Percentage Interests as of the First Amendment Date, in consultation with Borrowers, hereby appoint Pondfield Capital as successor Agent to Deerpath under the Loan Agreement and Pondfield Capital hereby accepts its appointment as successor Agent under the Loan Agreement and acknowledges and agrees that it shall succeed to and become vested with all of the rights, powers, privileges and duties of the “Agent” under the Loan Agreement and the other Loan Documents. Borrowers hereby acknowledge and agree that (a) the appointment of Pondfield Capital as successor Agent to Deerpath under the Loan Agreement complies with and is in accordance with ***Section 13.6*** of the Loan Agreement and (b) effective as of the First Amendment Date, (i) Pondfield Capital is the successor Agent to Deerpath under the Loan Agreement, succeeding to and becoming vested with all of the rights, powers, privileges and duties of the “Agent”, under the Loan Agreement and the other Loan Documents, (ii) Deerpath is discharged from all of its duties and obligations under the Loan Agreement and under the other Loan Documents and (iii) the provisions of ***Section 13*** and ***Section 8.6*** of the Loan Agreement shall continue in effect for the benefit of Deerpath, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them while Deerpath was acting as Agent.

Section 5. Catalyst Acquisition; Catalyst Acquisition Additional Term Loan.

5.1 **Catalyst Acquisition.** Agent and each Lender hereby (a) approves the Catalyst Acquisition and (b) acknowledges and agrees that the Catalyst Acquisition constitutes a Permitted Acquisition under the Loan Agreement.

5.2 **Loan Request.** Borrowers hereby request that Lenders make the Catalyst Acquisition Additional Term Loan to Borrowers on the First Amendment Date in an amount equal to \$4,000,000.

5.3 **Catalyst Acquisition Additional Term Loan.** Subject to the terms and conditions of this First Amendment and the Loan Agreement, pursuant to ***Section 2.3*** of the Loan Agreement, Pondfield Capital and Deerpath Capital, collectively, agree to make, and shall make, the Catalyst Acquisition Additional Term Loan to Borrowers on the First Amendment Date in an amount equal to \$4,000,000, with Pondfield Capital funding \$3,282,051.28 of the Catalyst Acquisition Additional Term Loan and Deerpath Capital funding \$717,948.72 of the Catalyst Acquisition Additional Term Loan.

5.4 **Fees and Expenses.** On the First Amendment Date, pursuant to ***Section 4.2(c)*** of the Loan Agreement, Borrowers shall pay (a) to Pondfield Capital and Deerpath Capital (i) a structuring fee in an amount equal to \$40,000, which is equal to 1.00% of the Catalyst Acquisition Additional Term Loan, and (ii) a closing fee in an amount equal to \$60,000, which is equal to 1.50% of the Catalyst Acquisition Additional Term Loan, and (b) to Agent and Lenders, as applicable, any other fees and expenses provided for in ***Section 8.11*** of the Loan Agreement; *provided, however*, that, in lieu of any such cash payment under this

Section 5.4, Lenders may in their sole discretion elect to deduct such fees and expenses from the proceeds of the Catalyst Acquisition Additional Term Loan.

5.5 Use of Proceeds. Borrowers shall use the proceeds of the Catalyst Acquisition Additional Term Loan to fund (i) a portion of the cash purchase consideration for the Catalyst Acquisition and (ii) the transaction costs, fees and expenses of the Catalyst Acquisition and the Catalyst Acquisition Additional Term Loan. To the extent that Holdings receives any of the proceeds of the Catalyst Acquisition Additional Term Loan from Pondfield Capital or Deerpath Capital on the First Amendment Date, Holdings shall pass substantially all of such proceeds through to Technologies for use to fund a portion of the cash purchase consideration for the Catalyst Acquisition.

5.6 Adjustment of Quarterly Amortization Payments. The amount of each quarterly amortization payment payable by Borrowers on each quarterly payment date following the First Amendment Date pursuant to **Section 3.2(b)** of the Loan Agreement shall be increased automatically in connection with the Catalyst Acquisition Additional Term Loan, in accordance with **Section 3.2(b)** of the Loan Agreement.

Section 6. Conditions.

6.1 This First Amendment shall be effective once each of the following have been executed and delivered to Agent in Proper Form at the closing of the transactions contemplated by this First Amendment, as follows:

(a) this First Amendment, duly executed by Borrowers, Agent and Lenders;

(b) the Pondfield Capital Additional Term Note (Catalyst Acquisition), duly executed by Borrowers;

(c) the Deerpath Capital Additional Term Note (Catalyst Acquisition), duly executed by Borrowers;

(d) an ACH Authorization Agreement in favor of Pondfield Capital, duly executed by the Company;

(e) an ACH Authorization Agreement in favor of Deerpath Capital, duly executed by the Company;

(f) executed copies of the Catalyst Purchase Documents, and evidence satisfactory to Agent in its Permitted Discretion that, effective immediately following the consummation of the closing of the Catalyst Acquisition Additional Term Loan on the First Amendment Date, Technologies is acquiring 100% of the Equity Securities of Catalyst pursuant to the Catalyst Purchase Documents;

(g) a certificate of the secretary of each Borrower, Technologies and Catalyst certifying as to its certificate of incorporation, certificate of formation or articles of organization and bylaws or operating agreement, the incumbency of its officers

executing Loan Documents on the First Amendment Date and their specimen signatures and resolutions adopted by its board of directors or its manager as applicable authorizing this First Amendment, the Catalyst Acquisition and the other transactions contemplated hereby;

(h) Lien search reports for Borrowers, Technologies and Catalyst satisfactory to Lenders;

(i) certificates of existence and good standing (or comparable certificates for Foreign Subsidiaries) for each Borrower, Technologies and Catalyst from the Secretary of State of the respective applicable State or incorporation or organization or the other applicable Government Authority with respect any Foreign Subsidiaries); and

(j) such other documents as Agent or any Lender may reasonably request.

Section 7. Representations and Warranties. Borrowers represent and warrant to Lenders as of the First Amendment Date that:

(a) (i) Borrowers possess all requisite power and authority to execute, deliver and comply with the terms of this First Amendment and each of the other documents, agreements and instruments delivered to Agent pursuant to **Section 6.1** (collectively, the "**First Amendment Documents**"), (ii) the First Amendment Documents have been duly authorized and approved by all requisite corporate and company action on the part of Borrowers, and Borrowers will provide Lenders with evidence of such approval upon request, (iii) no other consent of any Person (other than Agent and Lenders and consents that have been obtained) is required for the First Amendment Documents to be effective, (iv) the execution and delivery of the First Amendment Documents do not violate any of Borrowers' organizational documents, (v) assuming the due execution and delivery by Agent and Lenders, the First Amendment Documents constitute valid and binding agreements of Borrowers, enforceable against Borrowers in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally and by general principles of equity (whether applied in a proceeding at law or in equity); (vi) except as set forth on **Schedule 7(a)**, the representations and warranties in each Loan Document to which any Borrower is a party are true and correct in all material respects on and as of the First Amendment Date as though made on the First Amendment Date (except to the extent that such representations and warranties speak to a specific date, in which case such representations and warranties shall be true and correct in all material respects as of such specific date), (vii) each Borrower is in material compliance with all covenants and agreements contained in each Loan Document to which it is a party, and (viii) no Default or Potential Default has occurred and is continuing.

(b) After giving effect to this First Amendment and the transactions contemplated hereby, no Default or Potential Default will exist.

(c) Borrowers have furnished the Agent and Lenders true and correct copies of the Catalyst Purchase Documents.

Section 8. Scope of Amendment; Reaffirmation; Release.

8.1 From and after the First Amendment Date, all references to the Loan Agreement shall refer to the Loan Agreement as amended by this First Amendment. Except as affected by this First Amendment and the other Loan Documents delivered pursuant to *Section 6.1*, the Loan Documents are unchanged and continue in full force and effect. However, in the event of any inconsistency between the terms of the Loan Agreement (as amended by this First Amendment) and any other Loan Document, the terms of the Loan Agreement shall control and such other document shall be deemed to be amended to conform to the terms of the Loan Agreement.

8.2 Each Borrower hereby (a) ratifies and reaffirms its obligations under the Loan Documents to which it is a party and (b) confirms and agrees that all Loan Documents to which it is a party, including but not limited to all Liens granted in favor of Agent or Lenders pursuant to the Security Documents, remain in full force and effect and continue to be legal, valid, and binding obligations, enforceable in accordance with their terms (as the same are affected by this First Amendment).

8.3 Borrowers and their respective representatives, successors and assigns hereby jointly and severally, knowingly and voluntarily RELEASE, DISCHARGE and FOREVER WAIVE and RELINQUISH any and all claims, demands, obligations, liabilities, defenses, affirmative defenses, setoffs, counterclaims, actions and causes of action of whatsoever kind or nature, whether known or unknown, which each of them has, may have or might have or may assert now or in the future against Agent or any Lender directly or indirectly, arising out of, based upon or in any manner connected with any transaction, event, circumstance, action, failure to act or occurrence of any sort or type, in each case related to, arising from or in connection with the Loans, whether known or unknown, and which occurred, existed, was taken, permitted or begun prior to the First Amendment Date. Borrowers hereby acknowledge and agree that the execution of this First Amendment by Agent and Lenders shall not constitute an acknowledgment of or an admission by Agent or Lenders of the existence of any such claims or of liability for any matter or precedent upon which liability may be asserted.

Section 9. Miscellaneous.

9.1 No Waiver of Defaults. This First Amendment does not constitute (a) a waiver of, or a consent to, (i) any provision of the Loan Agreement or any other Loan Document not expressly referred to in this First Amendment, or (ii) any present or future violation of, or Default under, any provision of the Loan Documents, or (b) a waiver of any Lender's or Agent's right to insist upon future compliance with each term, covenant, condition and provision of the Loan Documents.

9.2 Loan Document. This First Amendment is a Loan Document.

9.3 Form. Each agreement, document, instrument or other writing to be furnished to any Lender or Agent under any provision of this First Amendment must be in form and substance satisfactory to such Lender or Agent and their counsel.

9.4 Headings. The headings and captions used in this First Amendment are for convenience only and will not be deemed to limit, amplify or modify the terms of this First Amendment, the Loan Agreement or the other Loan Documents.

9.5 Costs, Expenses and Attorneys' Fees. Borrowers agree to pay or reimburse Lenders and Agent on demand for all their reasonable out-of-pocket costs and expenses incurred in connection with the preparation, negotiation, and execution of this First Amendment, including, without limitation, the reasonable fees and disbursements of Lenders, Agent and their counsel.

9.6 Successors and Assigns. This First Amendment shall be binding upon and inure to the benefit of each of the undersigned and their respective successors and permitted assigns.

9.7 Multiple Counterparts. This First Amendment may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts must be construed together to constitute one and the same instrument. This First Amendment may be transmitted and signed by facsimile and in .pdf or other electronic format. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually-signed originals and shall be binding on Borrowers, Lenders and Agent. Lenders and Agent may also require that any such documents and signatures be confirmed by a manually-signed original; *provided, that* the failure to request or deliver the same shall not limit the effectiveness of any facsimile document or signature.

9.8 Governing Law. This First Amendment shall be a contract made under and governed by the internal laws of the State of New York applicable to contracts made and to be performed entirely within such state, without regard to conflict of law principles.

9.9 Arbitration. Upon the demand of any party to this First Amendment, any dispute shall be resolved by binding arbitration as provided for in *Section 14.11* of the Loan Agreement.

9.10 Entirety. **THE LOAN DOCUMENTS (AS AMENDED HEREBY) REPRESENT THE FINAL AGREEMENT BETWEEN BORROWERS, LENDERS AND AGENT AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

[Signatures appear on the following pages]

This First Amendment to Loan Agreement is executed as of the date set forth in the opening paragraph hereof.


RETIRING AGENT

(signing solely for purposes of *Section 4*):

DEERPATH CAPITAL II, LP

a Delaware limited partnership,
as retiring Agent

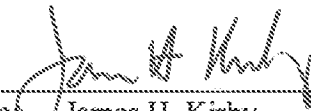
By: Deerpath Capital II General Partner, LLC
its general partner

By: 
Name: James H. Kirby
Title: President

SUCCESSOR AGENT:

PONDFIELD CAPITAL, LLC

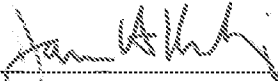
a Delaware limited liability company,
as successor Agent

By: 
Name: James H. Kirby
Title: President

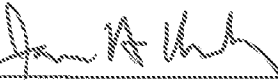
LENDERS:

DEERPATH CAPITAL II, LP
a Delaware limited partnership,
as Lender

By: Deerpath Capital II General Partner, LLC
its general partner

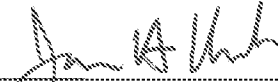
By: 
Name: James H. Kirby
Title: President

PONDFIELD CAPITAL, LLC
a Delaware limited liability company,
as Lender

By: 
Name: James H. Kirby
Title: President

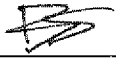
DEERPATH CAPITAL, LP
a Delaware limited partnership

By: Deerpath Capital General Partner, LLC
its general partner

By: 
Name: James H. Kirby
Title: President


BORROWERS:

ALCHEMY INVESTMENT HOLDINGS, INC.
a Delaware corporation

By: 
Name: Brian S. Sauer
Title: Vice President and Secretary

ANGUS MANAGEMENT, LLC
a Delaware limited liability company


By: Alchemy Investment Holdings, Inc.
its sole Member

By: 
Name: Brian S. Sauer
Title: Vice President and Secretary


ALCHEMY SYSTEMS L.P.
a Texas limited partnership

By: Angus Management, LLC
its general partner

By: Alchemy Investment Holdings, Inc.
its sole Member

By: 
Name: Brian S. Sauer
Title: Vice President and Secretary

ALCHEMY SYSTEMS TRAINING, INC.
a Texas corporation

By: 
Name: Brian S. Sauer
Title: Vice President and Secretary