

TRADEMARK ASSIGNMENT COVER SHEET

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NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Brammo, Inc.		9/15/2010	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Flextronics Automotive Sales and Marketing, Ltd.
Street Address:	35 Cybercity
Internal Address:	Level 3, Alexander Houase
City:	Ebene
State/Country:	MAURITIUS
Entity Type:	CORPORATION: MAURITIUS

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Serial Number:	85841117	BRAMMO
Registration Number:	3831681	BRAMMO
Registration Number:	3825162	ENERTIA
Registration Number:	4176162	EMPULSE

CORRESPONDENCE DATA

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Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

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NAME OF SUBMITTER:	Michael R. Graif
SIGNATURE:	/Michael R. Graif/
DATE SIGNED:	11/10/2014

Total Attachments: 35

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Date: September 15, 2010

CREDIT AND MASTER PLEDGE AGREEMENT

between

BRAMMO, INC.
as *Pledgor*

and

FLEXTRONICS AUTOMOTIVE SALES AND MARKETING, LTD.
as *Pledgee*

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This credit and master pledge agreement (this **Agreement**) is made on the date first written above between:

- (1) **Brammo, Inc**, having its place of business at 550 Clover Lane, Ashland, OR 97520, USA, as pledgor (in such capacity referred to as the **Pledgor**); and
- (2) **Flextronics Automotive Sales and Marketing, Ltd.**, having its place of business at Level 3, Alexander Houase, 35 Cybercity, Ebene, Mauritius, as pledgee (in such capacity referred to as the **Pledgee**).

RECITALS

- (A) Pursuant to a manufacturing service agreement (as the same may be amended, restated, supplemented, extended, or modified from time to time, the **Manufacturing Service Agreement**) dated 15 between [the Pledgee as manufacturer and the Pledgor as customer], the Pledgee has agreed to make available to the Pledgor as its customer under the Manufacturing Service Agreement the Customer Line of Credit.
- (B) The Pledgor has agreed to enter into this Agreement as security for the performance of the Secured Claims (as defined below).

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions.

In this Agreement (including its Schedules and Recitals) terms used as defined terms shall have the following meanings:

Agreement means this credit and master pledge agreement.

Ancillary Rights means any ancillary rights and contractual rights of alteration and claims associated with the respective Receivable.

Author means the owner of a Copyright.

Business Day means a day (other than a Saturday or Sunday) on which banks (including dealings in foreign exchange and foreign deposits) are open for general business in Mauritius and Delaware.

Clause means a clause hereof.

Collateral means:

- (a) the Collateral (Motorcycles);
- (b) the Collateral (Receivables); and
- (c) the Collateral (Tooling).

Collateral (Motorcycles) has the meaning set forth in Clause 3.1(b) .

Collateral (Receivables) has the meaning set forth in Clause 3.1(c).

Collateral (Tooling) has the meaning set forth in Clause 3.1(d).

Copyrights means the aggregate of all Existing Copyrights and any Future Copyrights.

Customer has the meaning set forth in the Manufacturing Service Agreement.

Customer Line of Credit is the working capital line of credit provided by the Pledgee to the Pledgor as Customer pursuant to clause 3.6 (*Customer Line of Credit*) of the Manufacturing Service Agreement.

Debtor means any third party debtor in connection with any of the Receivables.

Designs means the aggregate of all Existing Designs and any Future Designs.

Domain Names means the aggregate of all Existing Domain Names and any Future Domain Names.

Enforcement Event means an Event of Default has occurred and is continuing.

EPO means the European Patent Office at which European patents are registered.

Event of Default means that:

- (a) the Pledgor as Customer is in payment default with regard to any payment that has become due and payable under the Customer Line of Credit and such payment default remains unpaid ten (10) days after written notice of such payment default is delivered by the Pledgee to the Pledgor; and/or
- (b) the Manufacturing Service Agreement has been terminated by any of its parties and the Customer Line of Credit is not repaid within ninety (90) days thereof; and/or
- (c) any representation made or deemed to be made by the Pledgor in this Agreement is, or proves to have been, incorrect or misleading in any material respect when made or deemed to be made and such breach is not cured or is not capable of being cured within thirty (30) days after written notice thereof is delivered by the Pledgee to the Pledgor; and/or
- (d) the Pledgor does not comply with any provision of this Agreement, which failure is not cured within thirty (30) days after written notice thereof is delivered by the Pledgee to the Pledgor.

Existing Copyrights means the Pledgor's rights to exploit the copyrights owned by the Pledgor as of the date hereof and as listed in Schedule 1 (*List of Existing Copyrights*).

Existing Designs means the Pledgor's title to and other rights and claims of the Pledgor relating to any designs registered with an IP Register as listed in Schedule 2 (*List of Existing Designs*).

Existing Licenses means the Pledgor's title to and other rights and claims of the Pledgor relating to the licenses as listed in Schedule 3 (*List of Existing Licenses*).

Existing Patents means the Pledgor's title to and other rights and claims relating to any patents registered with an IP Register as listed in Schedule 4 (*List of Existing Patents*).

Existing Trademarks means the Pledgor's title to and other rights of the Pledgor relating to any trademarks registered with an IP Register as listed in Schedule 5 (*List of Existing Trademarks*).

Existing Utility Models means the Pledgor's title to and other rights and claims of the Pledgor relating to any utility models registered with an IP Register as listed in Schedule 6 (*List of Existing Utility Models*).

Future Copyrights means any and all rights to exploit copyrights which the Pledgor may own in the future and which were not owned by the Pledgor on the date hereof, each to the extent that they relate to or are used in connection with any Patent, Design, or Utility Model.

Future Designs means any and all designs to be registered with an IP Register, which the Pledgor has applied for on the date hereof or which the Pledgor may apply for, register or otherwise own in the future and which were not owned by the Pledgor on the date hereof.

Future Domain Names means any and all domain names and domain names applications, which the Pledgor has applied for on the date hereof or which the Pledgor may apply for, register, or otherwise own in the future and which were not owned by the Pledgor on the date hereof, each to the extent that they relate to or are used in connection with any Patent, Design, or Utility Model.

Future Licenses means any and all rights under licenses, which the Pledgor may in the future enter into as licensee and which were not concluded at the date hereof, each to the extent that they relate to or are used in connection with any Patent, Design, or Utility Model.

Future Other IP Rights means any and all rights relating to intellectual property rights and the respective rights to exploit such rights, which the Pledgor may own in the future and which were not owned by the Pledgor on the date hereof, each to the extent that they relate to or are used in connection with any Patent, Design, or Utility Model.

Future Patents means any and all patents and patent applications to be registered with an IP Register, which the Pledgor has applied for on the date hereof or which the Pledgor may apply for, register or otherwise own in the future and which were not owned by the Pledgor on the date hereof.

Future Trademarks means any and all trademarks to be registered with an IP Register which the Pledgor has applied for on the date hereof or which the Pledgor may apply for, register or otherwise may own in the future and which were not owned by the Pledgor on the date hereof, each to the extent that they relate to or are used in connection with any Patent, Design, or Utility Model.

Future Utility Models means any and all utility models to be registered with an IP Register, which the Pledgor has applied for on the date hereof or which the Pledgor may apply for, register or otherwise own in the future and which were not owned by the Pledgor on the date hereof.

IP Register means any register for IP Rights, including, but without limitation, the OHIM, the WIPO, and the EPO.

IP Rights means the aggregate of:

- (a) the Copyrights;

- (b) the Designs;
- (c) the Domain Names;
- (d) the Patents;
- (e) the Trademarks;
- (f) the Licenses;
- (g) the Utility Models; and
- (h) the Other IP Rights.

Licenses means the aggregate of all Existing Licenses and any Future Licenses.

Manufacturing Service Agreement has the meaning set forth in Recital (A).

Motorcycles means all Products (as defined in the Manufacturing Services Agreement) which are manufactured by Pledgee and to which the Pledgor currently holds ownership title or to which the Pledgor may in future acquire ownership title.

Notice Period means a period of seven (7) calendar days.

Obligations means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) and/or liabilities (including, but without limitation, claims based on damages, tort or unjust enrichment) payable or owing by the Customer under or in connection with the Customer Line of Credit.

OHIM means the Office for Harmonisation in the Internal Market with which the European Union Trademarks and the European Union Designs (have been or will be registered).

Other IP Rights means the aggregate of all Existing Other IP Rights and any Future IP Rights.

Party means a party to this Agreement.

Patents means the aggregate of all Existing Patents and any Future Patents.

Pledge has the meaning set forth in Clause 3.1 (*Pledge*).

Pledge over Collateral (Motorcycles) has the meaning set forth in Clause 3.1 (*Pledge*).

Pledge over Collateral (Receivables) has the meaning set forth in Clause 3.1 (*Pledge*).

Pledge over Collateral (Tooling) has the meaning set forth in Clause 3.1 (*Pledge*).

Pledgee has the meaning set forth in the Parties' list hereof.

Pledgor has the meaning set forth in the Parties' list hereof.

Private Sale means a private sale of the Collateral (or only a part thereof) in the course of an enforcement proceeding pursuant to Clause 9 (*Enforcement*).

Public Auction means a public auction of the Collateral (or only a part thereof) in the course of an enforcement proceeding pursuant to Clause 9 (*Enforcement*).

Receivables means any and all future pecuniary rights, claims and receivables (whether actual or contingent) owed, or purported to be owed, to the Pledgor by any Debtor under any agreement from the sale of Motorcycles.

Recitals means the recitals hereof.

Registry (Domain) means the relevant registry at which the Domain Names are registered.

Schedule means a schedule hereof, which shall form an integral part hereof.

Secured Claims means any claim by the Pledgee for the due and punctual payment and performance of any or all Obligations.

Security Interest means any mortgage, pledge, charge, privilege, priority, hypothecation, encumbrance, assignment, lien, attachment, set-off or other security interest of any kind or any other agreement or arrangement having the effect of conferring security upon or with respect to, or any segregation of or other preferential arrangement with respect to, any present or future assets, revenues or rights.

Tooling means the Tooling (as defined in the Manufacturing Services Agreement) which may become the Customer Property (as defined in the Manufacturing Services Agreement) in accordance with the terms and conditions of the Manufacturing Services Agreement.

Trademarks means the aggregate of all Existing Trademarks and any Future Trademarks.

Transaction Security means all forms of Security Interest granted under or in connection with the Manufacturing Service Agreement.

Warrant means a warrant to purchase common stock, \$0.001 par value per share, of Pledgor, in the form attached to this Agreement as Exhibit A.

WIPO means the International Bureau of the World Intellectual Property Organization at which Patents, Trademarks, and Utility Models are registered.

Utility Models means the aggregate of all Existing Utility Models and any Future Utility Models.

- 1.2** Unless a contrary indication appears, any reference in this Agreement to:
- (a) the **Pledgor** or **Pledgee** shall be construed so as to include its successors in title, assigns and transferees;
 - (b) references to any person in this Agreement shall include its successors or assignees whether by contractual arrangement or operation of law (if any).
 - (c) **assets** includes present and future properties, revenues, and rights of every description;
 - (d) **indebtedness** includes any obligation (whether incurred as principal or as surety or guarantor) for the payment or repayment of money, whether present or future, actual or contingent;
 - (e) a **company** includes any corporation or other body corporate, wherever and however incorporated;
 - (f) a **person** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing;
 - (g) **days** refers to calendar days;
 - (h) **including** shall not be construed as limiting the generality of the words preceding it;
 - (i) a **regulation** includes any regulation, rule, accounting standard, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (j) the words **herein, hereof, hereto, and hereunder** and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement;
 - (k) this Agreement and to any provisions of it or to any other document referred to in this Agreement shall be construed as references to it in force for the time being and as amended, varied, supplemented, restated, substituted or novated from time to time;
 - (l) a provision of law is a reference to that provision as amended or re-enacted;
 - (m) a time of day is a reference to Vienna time; and
 - (n) any term shall encompass both the single and the plural form.
- 1.3** References to Clauses, Recitals, and Schedules are references to, respectively, Clauses and Recitals of, and Schedules to, this Agreement and references to this Agreement include its Schedules.

1.4 Clause and Schedule headings are for ease of reference only.

2. CREDIT FACILITY

Subject to the terms of this Agreement and as long as no Event of Default has occurred and remains uncured, Pledgee shall make advances to fund any amounts due to Pledgee that are included in the Customer Line of Credit under Section 3.6 of the Manufacturing Services Agreement; provided that in no event shall Pledgee be required to make advances (or otherwise provide credit to Pledgor under Section 3.6 of the Manufacturing Services Agreement) to the extent that the total Customer Line of Credit exceeds the maximum amount provided by said Section 3.6. All proceeds received by Pledgor from the collection of Collateral (Receivables) or other Collateral shall be paid over to Pledgee to the extent of, and applied against, amounts outstanding under this Section 2 or Pledgee invoices due under Section 3.5 of the Manufacturing Services Agreement. In lieu of payment of any interest on amounts outstanding under the Customer Line of Credit, simultaneously with the execution of this Agreement, Pledgor shall issue to Pledgee a Warrant to purchase 3,000,000 shares of Pledgor's common stock, subject to adjustment as described in the Warrant. The Customer Line of Credit shall continue for the term of one year from the date of this Agreement, and shall automatically renew for successive one year periods unless either party provides the other party with notice of termination no less than ninety (90) days before the end of the term then in effect, *provided that* Pledgor may not terminate the Customer Line of Credit effective anytime prior to the second anniversary of the date hereof. Upon termination of the Customer Line of Credit, Pledgor shall have ninety (90) days to pay Pledgee the amount outstanding under the Customer Line of Credit.

3. PLEDGE

3.1 As continuing security for the payment and performance of all Secured Claims, the Pledgor hereby grants in favour of the Pledgee first ranking pledges over:

- (a) any and all future rights, title and interests in relation to the IP Rights (the ***Collateral (IP Rights)***)
- (b) any and all present and future rights, title and interests in the Motorcycles (***Collateral (Motorcycles)***);
- (c) any and all present and future rights, title and interests in relation to the Receivables and any Ancillary Rights (the ***Collateral (Receivables)***) and;
- (d) any and all present and future rights, title and interests in the Tooling (***Collateral (Tooling)***)

(collectively the ***Pledges***, individually the ***Pledge over Collateral (IP Rights)***, the ***Pledge over Collateral (Motorcycles)***, the ***Pledge over Collateral (Receivables)*** and the ***Pledge over Collateral (Tooling)*** respectively).

3.2 Each Pledge shall rank ahead of any other Security Interest or third party rights now in existence or created in the future over the Collateral. The validity and effectiveness of each Pledge shall be independent from the validity and effectiveness of any other Transaction Security.

3.3 No Pledge shall be discharged or impaired by:

- (a) the dealing with, existence, or validity of any Transaction Security;
- (b) any enforcement of or failure to take, perfect, or enforce any Transaction Security;
- (c) any amendment (including, but without limitation, any increase in the amounts of the Customer Line of Credit or the interest rate), restatement, supplementation, extension, modification or novation of the Manufacturing Service Agreement or any other document entered into in connection with the Manufacturing Service Agreement;
- (d) any partial or total release of, granting of time, or any other indulgence to the Customer or any third party in relation to any Transaction Security;
- (e) an assignment, sale, or other transfer of any or all Secured Claims by the Pledgee to any third party; or
- (f) the assumption of claims with regard to any or all Obligations by any third party (for the avoidance of doubt, such assumption of claims by a third party requires the prior written consent of the Pledgee).

3.4 The Pledgor hereby grants to the Pledgee a nonexclusive license to IP Rights owned by Pledgor to the extent necessary for the Pledgee to exercise its remedies under this Agreement and otherwise realize the benefit of its Security Interest in the Collateral upon an Event of Default by Pledgor.

4. PERFECTATION OF PLEDGES

4.1 Collateral (Motorcycles) – *[jurisdiction]*

With regard to Motorcycles that are situated in *[insert jurisdiction]* the Pledge over Collateral (Motorcycles) shall be perfected as described in Schedule 8 (*Perfection (Motorcycles) - [jurisdiction]*).

4.2 Collateral (Receivables) – *[jurisdiction]*

With regard to any Receivables governed by *[insert jurisdiction]* law, the Pledge over Collateral (Receivables) shall be perfected as described in Schedule 9 (*Perfection (Receivables) - [jurisdiction]*).

4.3 Collateral (Tooling) – [jurisdiction]

With regard to an Tooling that is situated in [insert jurisdiction] the Pledge over Collateral (Tooling) shall be perfected as described in Schedule 10 (*Perfection (Tooling) - [jurisdiction]*).

4.4 No Monitoring

For the avoidance of doubt, the Parties agree and acknowledge that the Pledgee shall in no way be obliged to monitor any perfection, marking, recording, specification requirements or other acts to be set by the Pledgor in accordance with and as provided in this Clause 4 (*Perfection of Security*).

4.5 Protection of encumbrance

The Pledgee shall be entitled at any time to take any such action as it, in its own discretion, thinks fit for the purpose of protecting the Pledge and the Pledgor hereby unconditionally and irrevocably agrees to indemnify the Pledgee on demand against any losses, liabilities, fees, costs and expenses incurred or expended by the Pledgee in the protection or attempted protection of the Pledge.

5. STORING OF DATA - RECEIVABLES

If details concerning the Collateral (Receivables) or any relevant part thereof have been stored in an electronic data processing system or on a disk, the Pledgor shall allow the Pledgee access to the computer system or disk, including the peripheral equipment and all data concerning the Collateral (Receivables) or the relevant part thereof, to the extent permitted under applicable data protection laws. In addition, software operators and other required personnel shall be made available to the extent reasonably required and any assistance reasonably required shall be provided to the Pledgee. For the avoidance of doubt it is understood that nothing contained in this Agreement shall oblige the Pledgor to take any actions or make any declarations in contradiction to applicable mandatory data protection laws.

6. COLLECTION OF RECEIVABLES

The Receivables shall be collected and realized by the Pledgor within the Pledgor's ordinary course of business in accordance with its standard collection policies and with the care of a prudent businessman. Following the occurrence of an Enforcement Event, the Pledgee shall be entitled to instruct the Pledgor on any measures to be taken in order to collect and realise the Collateral (Receivables), and that all payments in respect of the discharge of the Receivables shall be made directly to an account of the Pledgee.

7. RELEASE OF PLEDGE

7.1 As soon as all of the Secured Claims have been irrevocably paid or discharged in full, the Pledgee shall, upon the request and at the cost and expense of the Pledgor, confirm the release the Pledges as a matter of record by issuing a confirmation of

release. In addition, immediately at the time of transfer of title of motorcycles to customers of Pledgor in the ordinary course of business, the Secured Claims shall be immediately discharged and the Pledgee shall, upon the request and at the cost and expense of the Pledgor, confirm and release Pledgor as a matter of record by issuing a confirmation of release.

7.2 Furthermore, the Pledgee may, at any time, release any Pledge in full or in part by sending a conditional or an unconditional release letter (for the purpose of this Clause 7.2 (*Release of Pledge*), the **Release Letter**) to the Pledgor, and the Pledgor hereby irrevocably and unconditionally accepts the release as laid out in such Release Letter. Any such release as laid out in the respective Release Letter shall become effective upon its receipt by the Pledgor pursuant to Clause 17 (*Notices*)

7.3 Where any release under this Clause 7 (*Release of Pledge*) is confirmed or made on the faith of any payment, security or other disposition which is voidable or must be repaid on bankruptcy, liquidation or otherwise, a Pledge and this Agreement shall continue as if there had been no such release hereunder.

8. RELEASE OF OTHER SECURITY INTERESTS

The Pledgor expressly agrees that the Pledgee may freely release any Security Interest provided to it by the Pledgor or any other security provider as security for the Secured Claims regardless of the effect of such release on the Pledgor's ability to take recourse from the providers of such Security Interest.

9. ENFORCEMENT

9.1 In general

(a) Upon the occurrence of an Enforcement Event and without any requirement to receive a title instrument for enforcement or to institute enforcement proceedings in accordance with any national enforcement laws, each of the Pledges created hereunder shall become immediately enforceable, and the Pledgee shall be entitled to have the Collateral realised by way of Private Sale or Public Auction with the benefit of all statutory provisions applicable to enterprises, in particular with regard to the enforcement and realisation of the pledge without court intervention.

(b) The Pledgee may determine in its absolute discretion which of the Transaction Security shall be used, and in which order, to satisfy the Secured Claims. The Pledgor shall not have any right to demand that any other Security Interest provided by the Pledgor or any third party shall be enforced beforehand.

(c) The Pledgor waives (i) any right to challenge this Agreement or (ii) its right to set-off any claims it may have with any Secured Claims.

9.2 Enforcement of Pledge over Collateral (Motorcycles)

- (a) The Pledge over Collateral (Motorcycles) shall be enforced through the sale of the Collateral (Motorcycles) in a Public Auction or Private Sale in accordance with applicable national laws.
- (b) The Pledgee shall be entitled to request from the Pledgor that pledged Motorcycles are delivered to the Pledgee for sale as agreed in paragraph (a) above.

9.3 Enforcement of Pledge over Collateral (Receivables)

- (a) The Pledgee may, to the extent legally permissible, collect and realise the Receivables and exercise any Ancillary Rights with regard to the Collateral (Receivables) in any legally permissible way the Pledgee considers appropriate, including as laid out in paragraph (b) below.
- (b) The power of attorney pursuant to this paragraph (b) is irrevocable for the term of this Agreement and given by way of security for the purpose of permitting the Pledgee to collect and realise the Collateral (Receivables) and can be exercised at any time after the occurrence of an Enforcement Event. To that end, the Pledgor irrevocably and unconditionally appoints the Pledgee, and (if any) each such delegate or sub-delegate as is referred to in Clause 10, as its representative which shall be empowered:
 - (i) to collect and realise the Receivables in any way the Pledgee considers appropriate (including, but without limitations, through court proceedings); and/or
 - (ii) to exercise any Ancillary Rights with regard to the Collateral (Receivables); and/or
 - (iii) if any information or documents which are necessary to identify the Collateral (Receivables) or the Debtor have been handed over by the Pledgor to a third party or a third party is handling the electronic processing for the Pledgor, to demand from such third party the return or disclosure of such information or documents.

There is no obligation of the Pledgee to act with regard to any of the above.

9.4 Enforcement of Pledge over Collateral (Tooling)

The Pledge over Collateral (Tooling) shall be enforced through the sale of the Collateral (Tooling) in a Public Auction or Private Sale in accordance with applicable national laws.

10. DELEGATION

- 10.1** The Pledgee may delegate by power of attorney, or in any other manner, any right or discretion exercisable by the Pledgee hereunder to a third party. Any such

delegation may be made upon such terms and conditions (including by a power to sub-delegate) as the Pledgee deems appropriate and advisable.

- 10.2** The Pledgee may rely on such delegate or sub-delegate when exercising its rights or discretion hereunder and shall be liable to the Pledgor with regard to such delegation or sub-delegation provided that any liability of the Pledgee with regard to such delegation to such delegate or sub-delegate shall be limited to wilful misconduct or gross negligence of the Pledgee.

11. POWER OF ATTORNEY

- 11.1** The Pledgor hereby irrevocably and unconditionally appoints the Pledgee, and (if any) each such delegate or sub-delegate as is referred to in Clause 10 (*Delegation*), as its representative which shall be empowered to perform all acts (including, without limitation, to sign any documents or make filings with any register) which the Pledgor is obliged to perform hereunder. The appointment in accordance with the preceding sentence shall become effective upon the occurrence of an Event of Default that is continuing.

- 11.2** The Pledgee hereby accepts the appointment pursuant to Clause 11.1 (*Power of Attorney*).

12. APPLICATION OF PROCEEDS

All moneys received by the Pledgee under or by virtue of this Agreement after the occurrence of an Enforcement Event shall be applied first towards any taxes, costs, and expenses to be paid by the Pledgor pursuant to Clause 18 (*Taxes, costs and expenses*), second toward the settlement of the Secured Claims, and finally any remainder to be paid to the Pledgor.

13. REPRESENTATIONS

- 13.1** The Pledgor hereby represents and warrants to the Pledgee on the date of this Agreement:

- (a) the contracts under which the Receivables arise, or have arisen, do not contain terms and conditions prohibiting the valid pledge and assignment of any rights under such contracts;
- (b) to the Pledgor's knowledge, the Existing IP Rights are validly existing;
- (c) the obligations expressed to be assumed by it in this Agreement are legal, valid, binding, and enforceable obligations;
- (d) it has the power to enter into, perform and deliver, and has taken all necessary action to authorize its entry into, performance and delivery of, this Agreement;
- (e) it is the sole commercial and legal owner of the existing Collateral;

- (f) the Collateral is not subject to any Security Interest; and
- (g) it has not taken any steps which have resulted or will result in the Collateral becoming subject to any Security Interest.
- (h) it is a corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation;
- (i) the entry into and performance by it of, and the transactions contemplated by, this Agreement do not and will not materially conflict with:
 - (i) any law or regulation applicable to it;
 - (ii) its articles of association; or
 - (iii) any agreement or instrument binding upon it or any of its assets; and
- (j) under the law of its jurisdiction of incorporation it is not necessary that this Agreement (except as laid out herein) be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Agreement, except for such filings, recordings or tax which shall be made or paid.

13.2 The representations and warranties in Clause 13.1 (*Representations*) are deemed to be repeated by the Pledgor by reference to the facts and circumstances then existing on each first date of a calendar month and on each date any act of publicity required to perfect a Pledge is made.

14. COVENANTS

14.1 The Pledgor hereby unconditionally covenants to the Pledgee that it will:

- (a) not amend, supplement, restate, substitute, novate or terminate the respective agreement under which the Receivables have been created without the prior written consent of the Pledgee except in the Pledgor's ordinary course of business;
- (b) do, or permit to be done every action which the Pledgee may from time to time require to be done for the purposes of preserving each Pledge and/or enforcing the Pledgee's rights hereunder (including, but without limitation, produce at the Pledgee's request all necessary documents evidencing the grant of the power of attorney pursuant to Clause 11 (*Power of Attorney*)), and allow its name to be used when required by the Pledgee for that purpose;
- (c) promptly upon request by the Pledgee make all actions necessary and duly execute, perfect, deliver and (if required) register in each case at the cost of the Pledgor every such document (including, but without limitation, any Pledge Deeds) as in the reasonable opinion of the Pledgee may be required for the purpose of perfecting, preserving or protecting the security created by

this Agreement or exercising any of the rights and powers conferred on the Pledgee hereunder; and

- (d) at its expense, maintain all Accounts until the Pledge over the Collateral (Receivables) has been released in full in accordance with Clause 7 (*Release of Pledge*).

14.2 The Pledgor shall not create, agree to create, or permit to exist any Security Interest (howsoever ranking in priority) of any nature whatsoever (including such as arises by operation of law or any enactment) regarding the Collateral.

15. UNDERTAKINGS

15.1 Until each Pledge has been released in full in accordance with Clause 7 (*Release of Pledge*), the Pledgor undertakes:

- (a) to notify the Pledgee without undue delay of all matters which the Pledgor is or becomes aware, which are likely to adversely affect the Secured Claims or the Pledge; and
- (b) to provide the Pledgee with access to any other information in connection with the Collateral which the Pledgee may from time to time reasonably request.

15.2 Notwithstanding anything to the contrary contained herein, the Pledgor shall remain liable in respect of the Collateral to perform all the obligations in respect thereof.

16. LIABILITY

The liability of the Pledgee in connection with this Agreement is limited to actual pecuniary damages directly resulting from wilful misconduct or gross negligence on the part of the Pledgee and in no event shall the Pledgee be liable for any special, indirect, consequential or punitive damages (including, without limitation, lost profits). The liability of the Pledgor in connection with this Agreement is limited to actual pecuniary damages, and in no event shall the Pledgor be liable for any special, indirect, consequential or punitive damages (including, without limitation, lost profits).

17. NOTICES

17.1 Communications and delivery

Unless expressly provided otherwise herein, all notices, demands, or other communications to be made under or in connection with this Agreement shall be sent in writing, signed for, and on behalf of, the party giving it. It shall be served by sending it by fax to a fax machine or delivering it by hand, special delivery, or registered mail.

17.2 Effective notification

Any notices, demands, or other communications as described in Clause 17.1 (*Communications and delivery*) shall be deemed to have been effected:

- (a) in case of a fax at the time of dispatch with confirmed answerback of the addressee appearing at the end of the communication;
- (b) in case of delivery by hand at the time of actual delivery; and
- (c) in the case of registered mail at 10:00 a.m. on the second Business Day following the date of posting,

provided that, with regard to paragraph (a) above, where delivery occurs after 6:00 p.m., the notices, demands, or other communications shall be deemed to occur at 8:00 a.m. on the next following Business Day.

17.3 Time

Reference to time in Clause 17.2 (*Effective notification*) shall be to local time in the country of the addressee.

17.4 Details

Until notice of a change of any such contact details have been duly given to and received by the other Party, the addresses and fax numbers of the Parties for the purpose of Clauses 17.1 (*Communications and delivery*) and 17.2 (*Effective notification*) are as follows:

BRAMMO, INC.

Address: 550 Clover Lane, Ashland, Oregon, 97520
Contact Person: Chief Executive Officer
Fax: 877.733.3155

With a copy to:

Foley Hoag LLP

Address: 155 Seaport Boulevard, Boston, Massachusetts, 02210
Contact Person: Bruce A. Kinn
Fax: 617.832.7000

FLETRONICS AUTOMOTIVE SALES AND MARKETING, LTD.

Address: ●
Contact Person: ●
Fax: ●

17.5 English language

All notices, demands, or other communications shall be in the English language or, if in any other language, accompanied by a translation into English. In the event of

any conflict between the English text and the text in any other language, the English text shall prevail.

18. TAXES, COSTS AND EXPENSES

18.1 In General

The Pledgor shall promptly on demand pay the Pledgee the amount of all taxes, costs and expenses (including legal fees and fees for other professional advisors) reasonably incurred by the Pledgee in connection with the negotiation, preparation, printing, and execution of this Agreement executed at the date hereof and any other document created hereunder and executed after the date of this Agreement. Such taxes, costs and expenses shall become payable after submission of a reasonably detailed invoice by the Pledgee to the Pledgor, and may at Pledgor's election be payable by draw-down against the Customer Line of Credit.

18.2 Enforcement and preservation costs

The Pledgor shall, within three (3) Business Days of demand, pay to the Pledgee the amount of all taxes, costs and expenses (including legal fees and fees for other professional advisors) incurred by the Pledgee in connection with the enforcement of, or the preservation of any rights under this Agreement.

19. PARTIAL INVALIDITY

If any provision of this Agreement shall be or become ineffective in full or in part, the remaining provisions shall remain unaffected. Invalid provisions shall be deemed replaced by such valid provisions which, taking into consideration the purpose and intent of this Agreement, have, to the extent legally possible, the same economic effect as the invalid provision. The preceding rule shall apply, *mutatis mutandis*, to any omissions in this Agreement. No waiver by the Pledgee of any of its rights under this Agreement shall be effective unless given in writing.

20. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Pledgee, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

21. COUNTERPARTS

This Agreement may be executed by the Parties in any number of counterparts and on separate counterparts, each of which shall constitute an original, but all the counterparts together shall constitute one and the same instrument.

22. AMENDMENTS

This Agreement may be amended only by the written agreement of the Parties. A waiver of this requirement must be made in writing.

23. ASSIGNABILITY

- 23.1** Neither this Agreement nor any rights hereunder or interest herein may be assigned or otherwise disposed of, or assigned or otherwise encumbered, by the Pledgor without the prior written consent of the Pledgee.
- 23.2** The Pledgee may freely assign, dispose of or encumber any or all of its rights under this Agreement to any person.

24. DISPUTES RESOLUTION

- 24.1** Except as otherwise provided in this Agreement, the following binding dispute resolution procedures shall be the exclusive means used by the Parties to resolve all disputes, differences, controversies and claims arising out of or relating to the Agreement or any other aspect of the relationship between the Pledgor and the Pledgee (for purposes of this Clause 24 (*Disputes resolution*) collectively, **Disputes**). Either Party may, by written notice to the other Party, refer any Disputes for resolution in the manner set forth below.
- 24.2** Any Disputes shall be referred to arbitration under the rules of the American Arbitration Association (the **Arbitration Administrator**), as such rules shall be in effect on the date such Dispute is filed to the Arbitration Administrator, except to the extent that such rules are inconsistent with this Clause 24 (*Disputes resolution*), in which case this Clause 24 (*Disputes resolution*) shall govern.
- 24.3** The Parties shall agree on a single arbitrator (for purposes of this Clause 24 (*Disputes resolution*), the **Arbitrator**). If the Parties cannot agree on an Arbitrator within seven (7) days of delivery of the demand for arbitration (for purposes of this Clause 24 (*Disputes resolution*), **Demand**) (or such other time period as the Parties may agree), the Arbitration Administrator shall deliver a roster of ten (10) names to the Parties. Within seven (7) calendar days of service upon the Parties of the list of names, each Party may strike three (3) names and shall rank the remaining seven (7) arbitrator candidates in order of preference, from least to most preferred. The Arbitration Administrator will then appoint the remaining candidate with the highest composite ranking as the Arbitrator, or, in the event of a tie, the Arbitration Administrator will select an Arbitrator from among the tied candidates.
- 24.4** Unless otherwise mutually agreed to by the Parties, the place of arbitration shall be Wilmington, Delaware.
- 24.5** The Federal Arbitration Act shall govern the arbitrability of all Disputes. The Federal Rules of Civil Procedure and the Federal Rules of Evidence (the **Federal Rules**), to the extent not inconsistent with this Agreement, shall govern the conduct of the arbitration. To the extent that the Federal Arbitration Act and Federal Rules do not provide an applicable procedure, Delaware law shall govern the procedures for arbitration and enforcement of an award, and then only to the extent not

inconsistent with the terms of this Clause 24 (*Disputes resolution*). Disputes between the Parties shall be subject to arbitration notwithstanding that a Party is also a party to a pending court action or special proceeding with a third party, arising out of the same transaction or series of related transactions and there is a possibility of conflicting rulings on a common issue of law or fact.

24.6 Unless otherwise mutually agreed to by the Parties, each Party shall allow and participate in discovery as follows:

(a) Non-Expert Discovery. Each Party may:

- (i) conduct three (3) non-expert depositions of no more than five (5) hours of testimony each, with any deponents employed by any Party to appear for deposition in Wilmington, Delaware;
- (ii) propound a single set of requests for production of documents containing no more than twenty (20) individual requests;
- (iii) propound up to twenty (20) written interrogatories; and
- (iv) propound up to ten (10) requests for admission.

(b) Expert Discovery. Each Party may select a witness who is retained or specially employed to provide expert testimony and an additional expert witness to testify with respect to damages issues, if any. The Parties shall exchange expert reports and documents under the same requirements as Federal Rules of Civil Procedure 26(a)(2) & (4).

(c) Additional Discovery. The Arbitrator may, on application by either Party, authorize additional discovery only if deemed essential to avoid injustice. In the event that remote witnesses might otherwise be unable to attend the arbitration, arrangements shall be made to allow their live testimony by video conference during the arbitration hearing.

24.7 The Arbitrator shall render an award within six (6) months after the date of appointment unless the Parties agree to extend such time. The award shall be accompanied by a written opinion setting forth the findings of fact and conclusions of law. The Arbitrator shall have authority to award compensatory damages only, and shall not award any punitive, exemplary, or multiple damages. The award (subject to clarification or correction by the arbitrator as allowed by statute and/or the Federal Rules) shall be final and binding upon the Parties, subject solely to the review procedures provided in this Clause 24 (*Disputes resolution*).

24.8 Judicial review may be had by any Party seeking same according to the standard of review that the first-level appellate court in the county of Wilmington, Delaware would apply to a decision by a trial court. Each Party hereby stipulates to the jurisdiction of the Enforcing Court (as defined in this Clause 24 (*Disputes resolution*)) for the purpose of conducting such judicial review, which may be had as to any issue of fact or law that would give rise to appellate review in the jurisdiction of the

Enforcing Court including, but not limited to, any substantial error of law or manifest disregard for law by the Arbitrator. To the extent that any portion of this provision for judicial review is held to be contrary to governing law, then that portion shall be severed from the remainder of this section, which shall remain valid and enforceable in accordance with its terms.

- 24.9** This Agreement's arbitration provisions are to be performed in Wilmington, Delaware. Any judicial proceeding arising out of or relating to this Agreement or the relationship of the Parties, including without limitation any proceeding to enforce this Clause 24 (*Disputes resolution*), to review or confirm the award in arbitration, or for preliminary injunctive relief, shall be brought exclusively in a court of competent jurisdiction in the county of Wilmington, Delaware (for purposes of this Clause 24 (*Disputes resolution*), the **Enforcing Court**). By execution and delivery of this Agreement, each Party accepts the jurisdiction of the Enforcing Court.
- 24.10** Each Party shall pay its own expenses in connection with the resolution of Disputes pursuant to this Clause 24 (*Disputes resolution*), including attorneys' fees.
- 24.11** Notwithstanding anything to the contrary contained in this Clause 24 (*Disputes resolution*), in the event of any Dispute, prior to referring such Dispute to arbitration pursuant to Clause 24.2 (*Disputes resolution*), Pledgor and Pledgee shall attempt in good faith to resolve any and all controversies or claims relating to such Disputes promptly by negotiation commencing within ten (10) calendar days of the written notice of such Disputes by either Party, including referring such matter to the Pledgor's then-current president and the Pledgee's then current executive in charge of manufacturing operations in the region in which the primary activities of this Agreement are performed by Pledgee. The representatives of the Parties shall meet at a mutually acceptable time and place and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the Dispute for a period of four (4) weeks. In the event that the Parties are unable to resolve such Dispute pursuant to this Clause 24.11 (*Disputes resolution*), the provisions of Clause 24.1 (*Disputes resolution*) through Clause 24.11 (*Disputes resolution*), inclusive, as well as Clause 24.12 (*Disputes resolution*) through Clause 24.15 (*Disputes resolution*), inclusive, shall apply.
- 24.12** The Parties agree that any breach of a Party's confidentiality obligations set forth in this Agreement will result in irreparable injury to the other Party for which there is no adequate remedy at law. Therefore, in the event of any breach or threatened breach of such obligations, the non-breaching Party will be entitled to seek preliminary injunctive relief in the Enforcing Court or in any court of competent jurisdiction in the location in which the breaching Party conducts its business (with the exception of any court in California), without first pursuing such relief in arbitration.
- 24.13** The Parties agree that the existence, conduct and content of any arbitration pursuant to this Clause 24 (*Disputes resolution*) shall be kept confidential and no Party shall disclose to any person any information about such arbitration, except as may be required by law or by any governmental authority or for financial reporting purposes in each Party's financial statements.

24.14 IN THE EVENT OF ANY DISPUTE BETWEEN THE PARTIES, WHETHER IT RESULTS IN PROCEEDINGS IN ANY COURT IN ANY JURISDICTION OR IN ARBITRATION, THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE OR ARBITRATOR WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW.

24.15 In the event of any lawsuit between the Parties arising out of or related to this Agreement, the Parties agree to prepare and to timely file in the applicable court a mutual consent to waive any statutory or other requirements for a trial by jury.

25. EVEN-HANDED CONSTRUCTION.

The terms and conditions as set forth in this Agreement have been arrived at after mutual negotiation, and it is the intention of the Parties that its terms and conditions not be construed against any Party merely because it was prepared by one of the Parties.

26. CONTROLLING LANGUAGE

This Agreement is in English only, which language shall be controlling in all respects. All documents exchanged under this Agreement shall be in English.

27. CONTROLLING LAW

This Agreement shall be governed and construed in all respects in accordance with the laws of the State of Delaware without regard to its conflicts of laws provisions. The Parties acknowledge and confirm that they have selected the laws of the State of Delaware as the governing law for this Agreement in part because jury trial waivers are enforceable under Delaware law. The Parties further acknowledge and confirm that the selection of the governing law is a material term of this Agreement.

**SCHEDULE 1
LIST OF EXISTING COPYRIGHTS**

None

**SCHEDULE 2
LIST OF EXISTING DESIGNS**

None

**SCHEDULE 3
LIST OF EXISTING LICENSES**

None

**SCHEDULE 4
LIST OF EXISTING PATENTS**

None. Currently only applications.

**SCHEDULE 5
LIST OF EXISTING TRADEMARKS**

- Brammo
- Empulse
- Enertia
- Ensign
- Ronin

**SCHEDULE 6
LIST OF EXISTING UTILITY MODELS**

None

SCHEDULE 7
PERFECTION (IP RIGHTS) – [JURISDICTION]



SCHEDULE 8
PERFECTION (MOTORCYCLES) - [JURISDICTION]



SCHEDULE 9
PERFECTION (RECEIVABLES) - [*JURISDICTION*]



SCHEDULE 10
PERFECTION (TOOLING) - [JURISDICTION]



EXECUTION PAGE

BRAMMO, INC.



Digitally signed by Craig Bramscher
DN: cn=Craig Bramscher,
o=Brammo, ou=Brammo,
email=cab@brammo.com, c=US
Date: 2010.09.14 10:45:42 -07'00'

SIGNED by: _____

Please print full name: Craig A. Bramscher, Chief Executive Officer

FLEXTRONICS AUTOMOTIVE SALES AND MARKETING, LTD.

SIGNED by: _____

Please print full name: _____

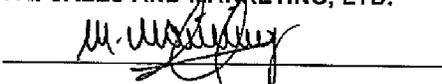
EXECUTION PAGE

BRAMMO, INC.

SIGNED by: _____

Please print full name: Craig A. Bramscher, Chief Executive Officer

FLEXTRONICS AUTOMOTIVE SALES AND MARKETING, LTD.

SIGNED by:  _____

Please print full name: Manny Marimuth

Master Pledge Agreement