

900384948 11/16/2016

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM405652

<b>SUBMISSION TYPE:</b>		NEW ASSIGNMENT	
<b>NATURE OF CONVEYANCE:</b>		ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL	
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
Student Resource Services, LLC		11/16/2016 9/13/2013	Limited Liability Company:
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	E4 Health, Inc.		
<b>Street Address:</b>	105 Decker Ct., Ste. 475		
<b>City:</b>	Irving		
<b>State/Country:</b>	TEXAS		
<b>Postal Code:</b>	75062		
<b>Entity Type:</b>	Corporation: DELAWARE		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	78626473	STUDENTRESOURCESERVICES	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	3145694053		
<i>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.</i>			
<b>Phone:</b>	9728103031		
<b>Email:</b>	missy.schrib@e4healthcare.com		
<b>Correspondent Name:</b>	Malisa Schrib		
<b>Address Line 1:</b>	105 Decker Ct., Ste. 475		
<b>Address Line 4:</b>	Irving, TEXAS 75062		
<b>NAME OF SUBMITTER:</b>	Malisa Schrib		
<b>SIGNATURE:</b>	/malisa schrib/		
<b>DATE SIGNED:</b>	11/16/2016		
<b>Total Attachments: 60</b>			
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**PURCHASE AGREEMENT**

BY AND AMONG

JANET H. MUG,  
in her individual capacity and as trustee for the  
JANET H. MUG REVOCABLE TRUST,

PEOPLE RESOURCES, INC.,  
a Missouri corporation,

STUDENT RESOURCE SERVICES, LLC,  
a Missouri limited liability company,

and

E4 HEALTH, INC.,  
a Delaware corporation,

September 11, 2013

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- Exhibit A – Calculation of Estimated Purchase Price
- Exhibit B – Calculation of Net Working Capital, Closing Cash and Unpaid Company Expenses
- Exhibit C – Form of Escrow Agreement
- Exhibit D – Consulting Agreement



## PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this "Agreement"), dated as of September 11, 2013, is entered into by and among (i) Janet H. Mug ("Owner"), in her individual capacity and as trustee for the Janet H. Mug Revocable Trust dated March 7, 2006, as amended ("Seller"); (ii) People Resources, Inc., a Missouri corporation ("People Resources"); (iii) Student Resource Services, LLC, a Missouri limited liability company ("SRS", and together with People Resources, each a "Company" and collectively, the "Companies") and (iv) E4 Health, Inc., a Delaware corporation ("Buyer"). Seller, Owner, the Companies and Buyer are sometimes referred to herein individually as a "Party" and collectively as the "Parties". Capitalized terms used herein and not otherwise defined herein have the meanings given to such terms in Article VII below.

### RECITALS:

Seller holds, beneficially and of record, (i) 1,000 shares of Common Stock of People Resources, which constitute all of the issued and outstanding Equity Interests of People Resources and (ii) 100% of the membership interests of SRS, which constitutes all of the issued and outstanding Equity Interests of SRS (collectively, the "Target Interests").

The Parties desire that, subject to the terms and conditions of this Agreement, Buyer shall purchase from Seller all of the Target Interests in exchange for the Final Purchase Price as set forth herein.

In consideration of the mutual covenants, agreements and understandings herein contained, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

### ARTICLE I

#### **Equity Interest Purchase; Closing; Conditions to Closing; Purchase Price Adjustment**

1.1 Equity Interest Purchase. Subject to the terms and conditions of this Agreement, at the Closing, Seller shall sell to Buyer, and Buyer shall purchase from Seller, all of the Target Interests free and clear of all Liens, and, in exchange, Buyer shall pay to Seller an amount equal to the Final Purchase Price.

1.2 Determination of Estimated Purchase Price.

(a) Attached hereto as Exhibit A is (i) the Companies' reasonable good faith calculation of (A) the Closing Net Working Capital (the "Estimated Closing Net Working Capital"), (B) the Closing Cash (the "Estimated Closing Cash"), (C) the Unpaid Company Expenses (the "Estimated Unpaid Company Expenses") and (D) the Cash Consideration and the Estimated Purchase Price based upon such items (all of which shall be satisfactory to Buyer), in each case determined in accordance with the Accounting Principles, and (ii) the applicable wire instructions.

(b) The "Estimated Purchase Price" shall be the Base Amount;

(i) (x) decreased by the amount, if any, that the Target Net Working Capital exceeds the Estimated Closing Net Working Capital or (y) increased by an amount, if any, by which the Estimated Closing Net Working Capital exceeds the Target Net Working Capital;

(ii) if Estimated Closing Cash is a positive amount, then increased by such amount, and if Estimated Closing Cash is a negative amount, then decreased by such amount; and

(iii) decreased by an amount equal to the Estimated Unpaid Company Expenses, if any.

1.3 The Closing. The consummation of the Contemplated Transactions will occur upon execution of this Agreement and the Related Agreements (collectively, the “Closing”) at the offices of the Companies on the date hereof (the “Closing Date”). The Closing may take place by conference call and/or electronic (i.e., e-mail of .PDF) or facsimile delivery with exchange of original signatures by overnight mail; *provided, however*, that no failure in the exchange of original signatures shall cause a breach of this Agreement by any Party or otherwise affect the Closing in any way whatsoever.

#### 1.4 Closing Deliverables of Seller.

(a) At the Closing, Buyer shall receive the following, each in a form reasonably satisfactory to Buyer:

(i) Board Resignations. Resignations, effective as of the Closing, of each director or manager of each Target Company and each officer of each Target Company, except, in each case, those whom Buyer shall have specified in writing.

(ii) Consents. Copies of all Consents identified on Schedule 1.4(a)(ii)(x), which shall be in full force and effect.

(iii) Certificates. (A) A certificate representing the Common Stock of People Resources duly endorsed in blank, or accompanied by powers or other proper instrument of assignment endorsed in blank, as applicable, in proper form for transfer, and (B) and assignment of 100% of the membership interests of SRS, in proper form for transfer.

(iv) Escrow Agreement. An escrow agreement, substantially in the form of Exhibit C hereto (the “Escrow Agreement”), which shall be entered into on the Closing Date among Buyer, Seller and the Escrow Agent, duly executed by Seller.

(v) Consulting Agreement. A consulting agreement, substantially in the form of Exhibit D hereto (the “Consulting Agreement”), which shall be entered into on the Closing Date between Buyer and Owner, duly executed by Owner.

(vi) UCC-3's; Payoff Letters. UCC-3 termination statements and other fully executed terminations, pay-offs and/or releases, or, at Buyer's option, assignments,

necessary to terminate, release or assign, as the case may be, all Liens on the properties of each Target Company (other than Permitted Liens) and evidence of the complete satisfaction in full of all outstanding Indebtedness of each Target Company.

(vii) FIRPTA Certificate. A certificate from Seller that confirms the payment of the purchase price free of withholding tax under Section 1445(b) of the Code and related provisions.

(viii) Books and Records. Physical possession of all books and records, licenses and permits, policies, contracts, plans or other instruments of each Target Company; provided, that all such materials shall be deemed delivered to Buyer if they are present at the corporate office of any Target Company.

(ix) Good Standing. Good standing certificates of each Target Company from the state of its formation or organization and each state where such Target Company is qualified to conduct business, dated within twenty (20) days prior to the Closing Date.

(x) Formation Documents. A copy of the formation documentation for each Target Company certified (as of a date not more than twenty (20) days prior to Closing) by the Secretary of State (or equivalent governmental officer) of the state of its formation or organization, and a copy of its bylaws or operating agreement, certified by the Secretary or Manager, as applicable, of such Target Company.

#### 1.5 Closing Deliverables of Buyer.

(a) At the Closing, Seller shall receive the following, each in a form reasonably satisfactory to Seller:

(i) Payment of Cash Consideration to Seller. Payment to Seller of an amount equal to the Cash Consideration, which shall be made by wire transfer in accordance with the wire instructions provided by Seller pursuant to Section 1.2(a).

(ii) Delivery of Escrow Amount. Buyer shall have deposited an amount of cash equal to the Escrow Amount into an escrow account (the "Escrow Account"), which shall be established pursuant to the Escrow Agreement.

(iii) Escrow Agreement. The Escrow Agreement, duly executed by Buyer and the Escrow Agent.

(iv) Consulting Agreement. The Consulting Agreement, duly executed by Buyer.

(v) Good Standing. Good standing certificates of Buyer from the state of its formation, dated within twenty (20) days prior to the Closing Date.

#### 1.6 Post-Closing Adjustment of Estimated Purchase Price.

(a) Following the Closing Date, in accordance with this Section 1.6(a) the Estimated Purchase Price shall be (i) reduced by the amount, if any, by which Closing Net Working Capital is less than Estimated Closing Net Working Capital, or (ii) increased by the amount, if any, by which Closing Net Working Capital is greater than Estimated Closing Net Working Capital.

(b) Without duplication of any adjustment made pursuant to Section 1.6(a), the Estimated Purchase Price will be (i) increased or decreased, as the case may be, by the amount, dollar for dollar, by which Estimated Closing Cash is greater than or less than Closing Cash, and (ii) increased or decreased, as the case may be, by the amount, dollar for dollar, by which Estimated Unpaid Company Expenses are greater than or less than Unpaid Company Expenses. The net amount of all sums that are an increase or decrease to the Estimated Purchase Price as contemplated by Section 1.6(a) and this Section 1.6(b) is referred to herein as the “Adjustment Amount.”

(c) Within ninety (90) days following the Closing Date, Buyer shall cause its independent accountants to prepare, and deliver to Seller a statement setting forth in reasonable detail, but in no less detail than as set forth on Exhibits A and B, with supporting documentation, (i) the Closing Net Working Capital, (ii) the Closing Cash, (iii) the Unpaid Company Expenses and (iv) the Adjustment Amount, in each case in accordance with the Accounting Principles (the “Adjustment Statement”). During the forty-five (45) days immediately following Buyer’s delivery of the Adjustment Statement, Seller and its advisors shall have full reasonable access to the working papers and books and records relating to the Adjustment Statement; *provided*, that any such access or furnishing of such information shall be conducted at the sole expense of Seller and/or the Owner during normal business hours under the reasonable supervision of Buyer’s agents and in such a manner as not to interfere in any material respect with the normal operations of Buyer or any Target Company; and *provided, further*, that the recipients of such information and copies shall treat all such information as confidential and hereby waive any right to use such information for any purpose other than in connection with the Contemplated Transactions (including the enforcement of any rights hereunder), and hereby agree to execute and deliver such customary waivers, limitations of liability and indemnification as are requested by Buyer or reasonably required by any such outside accountants or financial advisors to provide access to such work papers and records. The Adjustment Statement shall become final and binding upon the Parties on the forty-fifth (45th) day following receipt thereof by Seller unless Seller gives written notice of its disagreement (a “Notice of Disagreement”) to Buyer on or prior to such date. Any Notice of Disagreement shall (x) specify in reasonable detail the nature and amount of any disagreement so asserted (and an alternative amount for each such disputed item) and (y) shall include a proposed calculation by Seller of the Closing Net Working Capital, the Closing Cash, the Unpaid Company Expenses and the Adjustment Amount.

(d) If a timely Notice of Disagreement is received by Buyer, then the Adjustment Statement shall become final and binding upon the Parties on the earlier of (i) the date Buyer and Seller resolve in writing any differences they have with respect to any matter specified in the Notice of Disagreement and (ii) the date any matters properly in dispute are finally resolved in writing by the Accounting Firm pursuant to Section 1.6(e). During the thirty (30) days immediately following the delivery of a Notice of Disagreement, Buyer and Seller

shall consult in good faith to resolve in writing any differences which they may have with respect to any matter specified in the Notice of Disagreement. During such consultation period, Buyer shall have full access to the books and records of Seller and the working papers of Seller's accountants prepared in connection with Seller's preparation of the Notice of Disagreement; *provided*, that any such access shall be conducted at Buyer's sole expense, during normal business hours under the reasonable supervision of Seller's agents; and *provided, further*, that the recipients of such information and copies shall treat all such information as confidential and hereby waive any right to use such information for any purpose other than in connection with the Contemplated Transactions (including the enforcement of any rights hereunder), and hereby agree to execute and deliver such customary waivers, limitations of liability and indemnification as are requested by Seller or reasonably required by any such outside accountants or financial advisors to provide access to such work papers and records.

(e) At the end of such thirty (30)-day consultation period, if Buyer and Seller have not resolved their disputes, Buyer and Seller shall submit any and all matters which remain in dispute to an independent auditing firm of national recognition mutually selected by Buyer and Seller or, if they fail to agree on such a firm, then to BDO USA, LLP (the "Accounting Firm"). Notwithstanding the foregoing, the Accounting Firm shall not be a firm that has ever rendered any accounting or tax services to either Buyer or Seller or any Affiliate of either. The Accounting Firm shall work to resolve such dispute promptly and, in any event, within thirty (30) days from the date the dispute is submitted to the Accounting Firm. Any item not specifically referred to the Accounting Firm for evaluation shall be deemed final and binding on the Parties. The Accounting Firm shall finalize the Closing Net Working Capital, the Closing Cash, the Unpaid Company Expenses and the Adjustment Amount by selecting with respect to each item in dispute an amount between or equal to Buyer's position as set forth in the Adjustment Statement or Seller's position as set forth in the Notice of Disagreement. The Accounting Firm shall act as an arbitrator to determine the Closing Net Working Capital, the Closing Cash, the Unpaid Company Expenses and the Adjustment Amount, based solely on presentations by Buyer and Seller (and not by independent review), utilizing the Accounting Principles. In the absence of fraud by either Buyer or Seller or manifest error by the Accounting Firm, the determination of the Closing Net Working Capital, the Closing Cash, the Unpaid Company Expenses and the Adjustment Amount by the Accounting Firm shall be final and binding on the Parties.

(f) In the event Buyer and Seller submit any matters to the Accounting Firm for resolution as provided in Section 1.6(e) above, Buyer and Seller will share responsibility for the fees and expenses of the Accounting Firm as follows:

(i) if the Accounting Firm resolves all of the remaining objections in favor of Buyer's position (the Adjustment Amount so determined is referred to herein as the "Low Value"), then Seller will be responsible for and pay (or cause to be paid) all of the fees and expenses of the Accounting Firm;

(ii) if the Accounting Firm resolves all of the remaining objections in favor of Seller's position (the Adjustment Amount so determined is referred to herein as the

“High Value”), then Buyer will be responsible for and pay (or cause to be paid), and reimburse Seller for all of the fees and expenses of the Accounting Firm;

(iii) if the Accounting Firm neither resolves all of the remaining objections in favor of Buyer’s position nor resolves all of the remaining objections in favor of Seller’s position (the Adjustment Amount so determined is referred to herein as the “Actual Value”), then Seller will be responsible for and pay (or cause to be paid) that fraction of the fees and expenses of the Accounting Firm equal to (x) the difference between the High Value and the Actual Value over (y) the difference between the High Value and the Low Value, and Buyer will be responsible for and pay (or cause to be paid), and reimburse Seller (or cause a reimbursement) for the remainder of the fees and expenses of the Accounting Firm.

(g) If the Adjustment Amount is an increase to the Estimated Purchase Price, Buyer will make a payment to Seller by wire transfer or delivery of other immediately available funds in the amount equal to such increase within ten (10) days of the final determination of the Adjustment Amount pursuant to this Section 1.6.

(h) If the Adjustment Amount is a decrease to the Estimated Purchase Price, Seller and/or Owner shall make (or cause to be made) a payment to Buyer by wire transfer or delivery of other immediately available funds in the amount equal to such decrease within ten (10) days of the final determination of the Adjustment Amount pursuant to this Section 1.6.

1.7 Final Purchase Price. The Estimated Purchase Price, as adjusted by the Adjustment Amount, if at all, pursuant to Section 1.6 shall be referred to herein as the “Final Purchase Price.”

1.8 Withholding. Buyer and the Companies shall be entitled to withhold and deduct from the amounts otherwise payable to any recipient pursuant to this Agreement such amounts that the Buyer or the Companies are required to withhold under the Code or any other provision of state, local, or foreign Tax Laws. To the extent so withheld and deducted, such amounts shall be treated for all purposes of this Agreement as having been paid to the applicable recipient.

## ARTICLE II

### Representations and Warranties with respect to the Target Companies

As a material inducement to Buyer to enter into this Agreement and to consummate the Contemplated Transactions, each of Seller and Owner hereby, jointly and severally, make the representations and warranties set forth in this Article II, except as otherwise set forth in written disclosure schedules (the “Company Schedules”), a copy of which is attached hereto. The Company Schedules are numbered to correspond to the various sections of this Article II and Article III setting forth certain exceptions to the representations and warranties contained in this Article II and Article III and certain other information called for by this Agreement, subject to the terms and conditions described therein.

2.1 Organization and Corporate Power. Each Target Company is a corporation or limited liability company duly organized, validly existing and, where such concept is recognized,

in good standing under the Laws of the jurisdiction of its incorporation or formation and is licensed or qualified to conduct its business as it is presently being conducted and is in good standing in every jurisdiction where the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be in good standing or to be duly qualified would not, individually or in the aggregate, have a Material Adverse Effect. Each jurisdiction in which each Target Company is qualified to do business as a foreign entity is set forth on Schedule 2.1 of the Company Schedules. Each Target Company possesses all requisite corporate or LLC power and authority necessary to own and operate its properties and to carry on its businesses as presently conducted. Each Company possesses all requisite power and authority necessary to execute and deliver this Agreement and to carry out the Contemplated Transactions. The execution, delivery and performance of this Agreement and the Related Agreements to which each Company is a party have been duly authorized by such Company. Assuming that Buyer has duly authorized, executed and delivered this Agreement and all Related Agreements to which Buyer is a party, this Agreement and all Related Agreements to which each Company is a party, when executed and delivered by such Company in accordance with the terms hereof, shall each constitute a valid and binding obligation of such Company, enforceable in accordance with its terms, except as the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or similar Laws in effect which affect the enforcement of creditors' rights generally or (B) general principles of equity, whether considered in a Proceeding at law or in equity. The copies of each Target Company's Governing Documents which have been furnished to Buyer reflect all amendments made thereto at any time prior to the date of this Agreement and are true, complete and correct. The minute books of each Target Company (containing the records of meetings of the shareholders or members, of the board of directors and any committees of the board of directors of such Person) are true, complete and correct in all material respects and have been made available to Buyer. Notwithstanding anything in this Agreement to the contrary and notwithstanding anything set forth in the Company Schedules, no Target Company has filed for bankruptcy or filed for reorganization under the U.S. federal bankruptcy Laws or similar state, federal or foreign Law, become insolvent or become subject to conservatorship or receivership.

2.2 No Breach. Except as set forth on Schedule 2.2 of the Company Schedules, the execution, delivery and performance by Seller, Owner and each Company of this Agreement and the Related Agreements, the fulfillment of and compliance with the respective terms hereof and thereof by each Company and the consummation by each Company of the Contemplated Transactions does not and shall not (a) conflict with or result in a breach of the terms, conditions or provisions of, (b) constitute a default under (whether with or without the passage of time, the giving of notice or both), (c) result in the creation of any Lien upon any Target Company's Equity Interests or assets, including the Target Interests, (d) give any third party the right to modify, terminate or accelerate any obligation under, (e) result in a violation of, (f) require any authorization, consent, approval, waiver, exemption or other action by or notice or declaration to, or filing with, any third party or any Governmental Entity, or (g) trigger, in whole or in part, any change-of-control or similar payment or increased cost of any Target Company, pursuant to any of the following:

- (i) the Governing Documents of any Target Company, or

- (ii) any material Law to which any Target Company is subject, or
- (iii) any Material Contract.

2.3 Capitalization; Indebtedness. The authorized, issued and outstanding Equity Interests of each Target Company and the holders and owners thereof are set forth on Schedule 2.3 of the Company Schedules. As of the Closing, the Target Interests shall constitute all of the issued and outstanding Equity Interests of the Companies. As of the Closing, the Equity Interests of each Target Company set forth on Schedule 2.3 of the Company Schedules shall constitute all of the issued and outstanding Equity Interests of such Target Company, will be duly authorized, validly issued and non-assessable and will have been issued free and clear of any Liens, preemptive or similar rights and in compliance with all applicable material federal and state securities Laws. Except as set forth in Schedule 2.3 of the Company Schedules, no Target Company has any outstanding (i) Equity Interests convertible or exchangeable for any of its Equity Interests or containing any profit participation features, nor any rights or options to subscribe for or to purchase its Equity Interests, or (ii) any stock appreciation rights or phantom stock or similar plans or rights regarding any of its Equity Interests. Except as set forth on Schedule 2.3 of the Company Schedules, there are no (A) outstanding obligations of any Target Company (contingent or otherwise) to repurchase or otherwise acquire or retire any Equity Interests or any warrants, options or other rights to acquire its Equity Interests, or (B) voting trusts, proxies or other agreements among any Target Company's equityholders with respect to the voting or transfer of such Target Company's Equity Interests. No Target Company has any Indebtedness.

2.4 Subsidiaries; Investments. Other than as set forth on Schedule 2.4 of the Company Schedules, (a) no Target Company has any Subsidiary, (b) no Target Company has, or holds the right to make, an Investment in any other Person, (c) no Target Company's business is conducted through any other entity, and (d) none of Seller, Owner or any of their respective Affiliates owns any other entities relating to the business operations of any Target Company or the Business.

2.5 Financial Statements. Attached hereto as Schedule 2.5 of the Company Schedules (collectively, the "Financial Statements") are unaudited balance sheets (collectively, the "Balance Sheet") and statements of income and cash flow for each of People Resources, SRS and MGR for (a) the fiscal years ended December 31, 2012 and December 31, 2011 and (b) the six-month period ended as of June 30, 2013 (the "Interim Financials" and the Balance Sheet included in the Interim Financials is referred to herein as the "Interim Balance Sheet"). Except as set forth on Schedule 2.5 of the Company Schedules, the Interim Financials (subject to year-end adjustments, none of which individually or in the aggregate, are material) and each of the other Financial Statements (including, if applicable, the notes thereto, if any) have been prepared from, and reflect in all material respects the books and records of the Target Companies (which are correct and complete in all material respects), and fairly present in all material respects the financial condition as of the dates thereof, operating results and cash flows for the periods of the Target Companies then ended, and have been prepared in accordance with the Accounting Principles.



2.6 Absence of Certain Developments. Except as expressly contemplated by this Agreement and as set forth on Schedule 2.6 of the Company Schedules, since December 31, 2012, each Target Company has conducted its business only in the Ordinary Course, and no Target Company has:

(a) authorized for issuance, issued, sold, delivered, or granted any notes, bonds or other debt securities or any Equity Interests or any securities or rights convertible, exchangeable or exercisable into any Equity Interests;

(b) incurred any material Indebtedness not disclosed in the Financial Statements, which would be required to be reflected in the Companies' financial statements in accordance with the Accounting Principles;

(c) discharged or satisfied any Lien or paid any material obligation or Liability, other than current Liabilities paid in the Ordinary Course;

(d) declared, set aside or made any payment or distribution of cash or other property with respect to its Equity Interests or otherwise to Seller, Owner or any of their respective Affiliates or purchased, redeemed or otherwise acquired any of its Equity Interests (including any warrants, options or other rights to acquire its Equity Interests);

(e) mortgaged or pledged any of its properties or assets or subjected them to any Lien, except Permitted Liens;

(f) sold, assigned, transferred, leased, licensed or permitted the loss, lapse or abandonment, or other disposition of, or failed to take reasonable steps to maintain, enforce and protect, any of its material assets, tangible or intangible, except in the Ordinary Course;

(g) made, granted, or as applicable, paid any bonus (except in the Ordinary Course) or any wage or salary increase to any employee or group of employees or made or granted any increase in any employee benefit plan or arrangement (including any Employee Benefit Plan), or amended or terminated any existing employee benefit plan or arrangement (including any Employee Benefit Plan) or adopted any new employee benefit plan or arrangement (including any Employee Benefit Plan), or entered into, modified or terminated any collective bargaining agreement or relationship, or paid any benefit not required by any Employee Benefit Plan, or entered into any employment, consulting, retention, change in control or severance arrangements;

(h) made any loans or advances to, guarantees for the benefit of, or any Investments in, any Persons or formed any Subsidiary other than inter-company loans;

(i) suffered any damage, destruction or casualty loss exceeding \$25,000 in the aggregate, whether or not covered by insurance, or experienced any changes in the amount and scope of insurance coverage;

(j) made any change in its cash management practices or in any method of accounting or accounting policies, or made any write-down in the value of its inventory that is material or out of the Ordinary Course;

(k) changed any method of financial or Tax accounting or financial or Tax accounting practice used by the Companies other than such changes required by applicable Tax Law;

(l) made, changed, or revoked any material Tax election, amended any Tax Return, settled any Tax claim or assessment, surrendered any right to claim a refund of Taxes or consented to extend or waive the statute of limitations applicable to any Tax claim or assessment;

(m) other than compensation and other similar benefits in the Ordinary Course, directly or indirectly engaged in any transaction or entered into, amended or terminated, any arrangement between any Target Company and any of its officers, directors, shareholders or other Affiliates;

(n) had no fact, event or circumstance that has had or would reasonably be expected to have a Material Adverse Effect;

(o) incurred or committed to incur any capital expenditures, obligations or Liabilities in connection therewith, except in the Ordinary Course;

(p) entered into any acquisition Contract or Contracts to acquire by merger, consolidation or otherwise, or Contracts to acquire a substantial portion of the assets of, or in any other manner, any business of any other Person;

(q) cancelled or waived in writing (i) any right material to the operation of its business, except in the Ordinary Course, or (ii) any debts or claims against any of its Affiliates;

(r) accelerated, terminated, modified or cancelled any Contract involving more than \$10,000;

(s) cancelled, delayed or postponed the payment of material accounts payable or any other material Liability; or

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

2.7 Absence of Undisclosed Liabilities. Except as set forth on Schedule 2.7 of the Company Schedules, no Target Company has any material Liability, other than (a) Liabilities set forth on the Interim Balance Sheet, and (b) Liabilities of the sort and type set forth on the liabilities side of any Balance Sheet (rather than any notes thereto) or which have arisen after the date of the Interim Balance Sheet in the Ordinary Course (none of which is a Liability resulting from breach of Contract, breach of warranty, tort, infringement, misappropriation, lawsuit or violation of Law and none of which is material either individually or in the aggregate).

2.8 Accounts Receivable. Schedule 2.8 of the Company Schedules sets forth a list of all Accounts Receivable as of June 6, 2013. All Accounts Receivable are valid receivables representing sales actually made in the Ordinary Course, not subject to setoffs or counterclaims, are current, and to the Knowledge of the Companies, are collectible, net of any reserves taken into account in determining the Adjustment Amount, which reserves are adequate and were calculated on a basis consistent with past practices.

2.9 Assets. Except as set forth on Schedule 2.9 of the Company Schedules, each Target Company has good and valid title to, or a valid leasehold interest in or license to use, the properties and assets, tangible or intangible, shown on the Interim Balance Sheet or acquired thereafter, free and clear of all Liens, except for (a) properties and assets disposed of in the Ordinary Course since the date of the Interim Balance Sheet and (b) Permitted Liens. Each Target Company owns, has a valid leasehold interest in, or has a valid license to use, all of the material assets, properties and rights, whether tangible or intangible, reasonably necessary and sufficient for the conduct of its business as presently conducted and as conducted as of the date of the Interim Balance Sheet. None of Seller, Owner or any of their respective Affiliates owns any asset used by any Target Company.

2.10 Personal Property. Each Target Company has good title to all material personalty of any kind or nature which it purports to own, free and clear of all Liens, except for (i) Liens disclosed on Schedule 2.10(a) of the Company Schedules, (ii) Liens for non-delinquent Taxes and non-delinquent statutory Liens arising other than by reason of default, (iii) statutory Liens of landlords, Liens of carriers, warehousemen, mechanics and materialmen incurred in the Companies' past practice for sums not yet due; (iv) Liens incurred or deposits made in the Companies' past practice in connection with worker's compensation, unemployment insurance and other types of social security; and (v) other Permitted Liens. Each Target Company, as lessee, has the right under valid leases to use, possess and control all personalty used (and not owned by any Target Company) by such Target Company as now used, possessed and controlled by such Target Company.

2.11 Real Property.

(a) No Target Company owns any real property.

(b) Schedule 2.11(b) of the Company Schedules sets forth the address of each Leased Real Property, and a true and complete list of all Leases (including all amendments, extensions, renewals, guaranties and other agreements with respect thereto) for each such Leased Real Property (including the date and name of the parties to such Lease document). Except as set forth in Schedule 2.11(b) of the Company Schedules, each Target Company has a good and valid leasehold interest in and to all of its respective Leased Real Property free and clear of all Liens except for Permitted Liens. Each Lease is legal, valid, binding, in full force and effect and is enforceable against such Target Company in accordance with its terms. There exists no default or condition which, with the giving of notice, the passage of time or both, could become a default by any Target Company under any Lease. The Companies have previously delivered to Buyer true, complete and correct copies of all the Leases, and in the case of any oral Lease, a written summary of the material terms of such Lease. Except as described on Schedule 2.11(b)

of the Company Schedules, no consent, waiver, approval or authorization is required from the landlord under any Lease as a result of the execution of this Agreement or the consummation of the Contemplated Transactions. With respect to each Lease, except as set forth in Schedule 2.11(b) of the Company Schedules: (i) no Target Company's possession and quiet enjoyment of the Leased Real Property under such Lease has been disturbed, and there are no material disputes with respect to such Lease; (ii) no security deposit or portion thereof deposited with respect to such Lease has been applied in respect of a breach or default under such Lease which has not been redeposited in full; (iii) no Target Company owes, or will owe in the future, based upon any Contract in effect on the date hereof, any brokerage commissions or finder's fees with respect to such Lease; (iv) no Target Company has collaterally assigned or granted any other security interest in such Lease or any interest therein; (v) no Target Company has subleased, licensed or otherwise granted any Person the right to use or occupy any Leased Real Property or any portion thereof; and (vi) the other party to such Lease is not an Affiliate of, and otherwise does not have any economic interest in, any Target Company.

(c) The Leased Real Property constitutes all of the real property currently leased, occupied or otherwise utilized in connection with the business of each Target Company and the Business as currently conducted. Other than any Target Company and any future lessees, there are no parties in possession or parties having any current or future right to occupy any of the Leased Real Property. To the Knowledge of the Companies, all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof included in the Leased Real Property (the "Improvements") are in good operating condition and repair (normal wear and tear excepted) and sufficient for the current conduct of the business of each Target Company and the Business. The present use of the Leased Real Property and Improvements and each Target Company's use thereof conform in all material respects to all applicable building, zoning and other Laws. All material permits, licenses and other approvals necessary to the current occupancy and use of the Leased Real Property have been obtained, are in full force and effect and have not been violated in any material respect. There is no pending or, to the Knowledge of the Companies, Threatened condemnation, or other Proceeding affecting any portion of the Leased Real Property or any Target Company's use thereof.

## 2.12 Contracts and Commitments.

(a) Except as expressly contemplated by this Agreement or as set forth on Schedule 2.12 of the Company Schedules, no Target Company is a party to or bound by (whether written or oral) any:

(i) pension, profit sharing, stock option, employee Equity Interest purchase or other plan or arrangement providing for deferred or other compensation to employees;

(ii) collective bargaining agreement or any other Contract with any labor union or employee association, or severance agreements, programs, policies or arrangements;

(iii) settlement, conciliation, or similar agreement with any Governmental Entity, or pursuant to which such Target Company will be required after the execution date of this Agreement to pay consideration in excess of \$5,000;

(iv) (A) Contract for the employment or engagement of any individual employee or other Person (including as an independent contractor, part-time laborer or on a consulting basis) other than at the will of the employing Person, (B) any agreement to provide severance or similar benefits upon any termination of employment or other engagement, or (C) any Contract with any labor agency for the employment of seasonal or part-time labor;

(v) Contract with any Governmental Entity;

(vi) Contract relating to Indebtedness or the mortgaging, pledging or otherwise placing a Lien on any asset or group of assets of such Target Company or any letter of credit arrangements, or any guarantee therefore, or any currency exchange, interest rate, commodities or other hedging arrangements or any leasing transaction of the type required to be capitalized in accordance with the Accounting Principles;

(vii) Contract under which such Target Company is (x) lessee of or holds or operates any personal property, owned by any other party and which require payments in excess of \$10,000 per year or (y) lessor of or permits any third party to hold or operate any property owned or controlled by such Target Company;

(viii) any Contract or group of related Contracts with the same party or group of affiliated parties continuing over a period of more than one (1) year from the Closing Date, which is not terminable by such Target Company upon ninety (90) days or less notice without penalty and pursuant to which any Target Company has either paid or been paid consideration in excess of \$25,000 in the twelve (12) months prior to the date hereof;

(ix) Contract relating to the ownership of, Investments in or loans and advances to any Person, including Investments in joint ventures and minority equity investments, other than the reimbursement of employee, officer or director expenses incurred in the Ordinary Course;

(x) Contract with respect to any intangible property (including any Intellectual Property Rights) (other than agreements for mass-marketed, non-customized software with a replacement cost and/or annual license fee of less than \$10,000);

(xi) Sales agent, sales representative, advertising, sales, manufacturing or distribution Contract;

(xii) power of attorney or other similar agreement or grant of agency;

(xiii) Contract concerning non-competition or that otherwise restricts or limits any Target Company from freely engaging in any business or competing anywhere in the world, or restricting the use of any Intellectual Property Rights (including any agreement with

provisions regarding non-solicitation of employees, co-existence agreements, and settlement agreements) or any material agreement concerning confidentiality;

(xiv) Contract that contains any “most-favored nation”, exclusivity, preferred provider or minimum commitment terms;

(xv) Contract granting to any Person an option or a first refusal or similar preferential right to purchase or acquire any material asset of the Business;

(xvi) any Contract with any Material Customer or Material Counselor;

(xvii) or any commitment or arrangement to enter into any of the foregoing.

(b) All of the Contracts set forth or required to be set forth on Schedule 2.12 of the Company Schedules (collectively, the “Material Contracts”) are valid, binding and enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or similar Laws in effect which affect the enforcement of creditors’ rights generally or (ii) general principles of equity, whether considered in a Proceeding at law or in equity. Each of the Material Contracts shall be in full force and effect, without penalty in accordance with its terms upon consummation of the Contemplated Transactions. No Target Company is in default in any material respect under or in material breach of, nor in receipt of any written claim of default or breach under, any Material Contract. No event has occurred which with the passage of time or the giving of notice or both would result in a default or breach by any Target Company under any Material Contract; and the Target Companies have no Knowledge of any existing or Threatened breach or cancellation by the other parties to any Material Contract to which any Target Company is a party; and, except as set forth on Schedule 2.12 of the Company Schedules, no Target Company has, since December 31, 2012, received any written or, to the Knowledge of the Companies, verbal notice from any other party to any Material Contract that such other party intends to increase the cost to any Target Company for the goods, services or rights delivered to any Target Company during such period pursuant to such Material Contract; *provided, however*, that the foregoing shall not apply to any goods, services or rights contemplated, but not actually delivered to, the Target Companies.

(c) Buyer has been supplied with a true, complete and correct copy of each written Material Contract, together with all amendments, waivers or other changes thereto (all of which amendments, waivers or other changes thereto are described on Schedule 2.12 of the Company Schedules), and true and accurate description of the terms and conditions of each oral Material Contract.

2.13 Litigation. Except as set forth on Schedule 2.13 of the Company Schedules, during the previous five (5) years there have not been any, and there currently are no, Proceedings pending or, to the Knowledge of the Companies, Threatened against any Target Company, or any of its employees or Affiliates affecting or relating to such Target Company’s business or assets or the Contemplated Transactions, or pending or Threatened by any Target

Company against any third party, at law or in equity, or before or by any Governmental Entity (including any Proceedings with respect to the Contemplated Transactions), and to the Knowledge of the Companies, no Target Company is subject to any governmental investigations or inquiries. No Target Company is subject to any judgment, order or decree of any Governmental Entity, resulting from a Proceeding that any Target Company is or was a party thereof.

2.14 Compliance with Laws; Permits; Prohibited Payments.

(a) Except as set forth on Schedule 2.14(a) of the Company Schedules, each Target Company has, in the past five (5) years, complied with, and is currently in compliance, in all material respects, with all applicable material Laws relating to the operation of its business. Except as set forth on Schedule 2.14(a) of the Company Schedules, no written and, to the Knowledge of the Companies, no verbal notices have been received by and no written and, to the Knowledge of the Companies, no verbal claims have been filed against Seller, Owner or their respective Affiliates (solely with respect to the Target Companies and their businesses) or any Target Company during the previous five (5) years alleging a violation of any such Laws.

(b) Except with respect to permits relating to Environmental Laws which are addressed in Section 2.19 below, each Target Company holds all material permits, licenses, certificates, accreditation and other authorizations of all Governmental Entities required for the conduct of the Business (as conducted at present) and the ownership of its properties. Schedule 2.14(b) of the Company Schedules sets forth a list of all of permits, licenses, certificates, accreditations and other authorizations held by each Target Company. No written and, to the Knowledge of the Companies, no verbal, notices have been received by any Target Company alleging the failure to hold any permit, license, certificate, accreditation or other authorization of any Governmental Entity. Each Target Company is in compliance in all material respects with all terms and conditions of all permits, licenses, accreditations and authorizations which such Target Company holds. Except as disclosed on Schedule 2.14(b) of the Company Schedules, all of such permits, licenses, accreditations and authorizations will be available for use by the Companies immediately after the Closing.

(c) To the Knowledge of the Companies, no Target Company has, directly or indirectly, (i) made or agreed to make any contribution, payment or gift to any government official, employee or agent where either the contribution, payment or gift or the purpose thereof was illegal under the Laws of any federal, state, local or foreign jurisdiction, (ii) established or maintained any unrecorded fund or asset for any purpose or made any false entries on the books and records of any Target Company for any reason, (iii) made or agreed to make any contribution, or reimbursed any political gift or contribution made by any other person, to any candidate for federal, state, local or foreign public office or (iv) paid or delivered any fee, commission or any other sum of money or item of property, however characterized, to any finder, agent, government official or other party, in the United States or any other country, which in any manner relates to the assets, business or operations of any Target Company.

(d) Except as set forth on Schedule 2.14(d), the Target Companies and their respective members, employees, agents, officers and managers are, and have been in the past five (5) years, in material compliance with all Health Care Laws.

(e) Except as set forth on Schedule 2.14(e), the Target Companies have not received any subpoenas, demands or other notices in the past five (5) years from any Governmental Entity inquiring into, or otherwise relating to, any actual or potential violation of any Health Care Laws, and no Target Company has received any written notice, or to the Knowledge of the Companies any oral notice, that it is under investigation by any Governmental Entity for violation of any Health Care Laws.

(f) No Target Company nor any of its respective officers, directors, managing employees or agents has now, or in the past five (5) years, been subject to or bound by, a corporate integrity agreement with the United States Department of Health and Human Services Office of the Inspector General or other agreement (*e.g.*, deferred prosecution agreement) with any Governmental Entity concerning compliance with any Health Care Laws.

(g) The Target Companies have made available to Buyer: (i) complete and current copies of all material compliance policies and procedures, and related training materials, including HIPAA privacy and security policies and procedures, all of which are, except as set forth on Schedule 2.14(g), in material compliance with Information Laws and (ii) true and complete copies of all Contracts under which any Target Company is a business associate. Except as set forth on Schedule 2.14(g), no Target Company is in breach of any Contract under which any Target Company is a business associate.

(h) Except as set forth on Schedule 2.14(h), the Target Companies have used, collected, disclosed, disseminated and protected all personal information and other information related to individuals ("Personal Information"), in material compliance with all applicable privacy policies and Laws, including all Information Laws.

(i) Except as set forth on Schedule 2.14(i), no Target Company has had any security or data breaches compromising or otherwise involving Personal Information that is reasonably likely to result in the Target Companies incurring Losses in excess of \$25,000, nor has any Target Company received any written, or to the Knowledge of the Companies any oral, claim or notice, alleging or referencing the investigation of any breach, violation of its Information Systems or the improper use, disclosure or access to any personally identifiable information in its possession, custody or control.

(j) Solely for purposes of this Section 2.14, HIPAA and the HITECH Act as included in the definition of "Health Care Laws" or "Information Laws," shall be applied and interpreted as of the Closing Date without giving effect to any new or modified standards or implementation specifications set forth under the HIPAA Omnibus Rule.

2.15 Tax Matters. Except as set forth on Schedule 2.15:



(a) Each Target Company has filed (or has had filed on its behalf) all Tax Returns that it was required to file under applicable Laws. All such Tax Returns were true, correct and complete in all material respects and were prepared in material compliance with all applicable Laws. All Taxes due and owing by (or with respect to the operations of) any Target Company (whether or not shown on any Tax Return) have been paid. No Target Company is the beneficiary of any extension of time within which to file any Tax Return. No Proceeding has been made and not resolved by an authority in a jurisdiction where any Target Company does not file Tax Returns that any Target Company is or may be subject to taxation by that jurisdiction. There are no Liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of any Target Company.

(b) Each Target Company has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party.

(c) No foreign, federal, state, or local Tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to any Target Company. No Target Company has received from any foreign, federal, state, or local taxing authority (including jurisdictions where no Target Company has filed Tax Returns) any (i) notice indicating an intent to open an audit or other review, (ii) request for information related to Tax matters, or (iii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against any Target Company.

(d) No Target Company has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(e) No Target Company has been a United States real property holding corporation within the meaning of Code §897(c)(2) during the applicable period specified in Code §897(c)(1)(A)(ii). No Target Company is a party to or bound by any Tax allocation or sharing agreement. No Target Company (A) has been a member of an Affiliated Group filing a consolidated federal income Tax Return or (B) has any liability for the Taxes of any Person under Reg. §1.1502-6 (or any similar provision of state, local, or foreign law), as a transferee or successor, by contract, or otherwise. No Target Company is a party to any agreement, contract, arrangement or plan that has resulted or could result, separately or in the aggregate, in the payment of any “excess parachute payment” within the meaning of Code §280G (or any corresponding provision of state, local or foreign Tax law).

(f) The unpaid Taxes of the Target Companies (A) do not exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the Interim Balance Sheet (rather than in any notes thereto) and (B) do not exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Target Companies in filing their Tax Returns. Since the date of the Interim Balance Sheet, no Target Company has incurred any Liability for Taxes arising from extraordinary gains or losses, outside the Ordinary Course.

(g) No Target Company will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any:

(i) change in method of accounting for a taxable period ending on or prior to the Closing Date;

(ii) “closing agreement” as described in Code §7121 (or any corresponding or similar provision of state, local or foreign income Tax Law) executed on or prior to the Closing Date;

(iii) intercompany transaction or excess loss account described in Treasury Regulations under Code §1502 (or any corresponding or similar provision of state, local or foreign income Tax Law);

(iv) installment sale or open transaction disposition made on or prior to the Closing Date; or

(v) prepaid amount received on or prior to the Closing Date.

(h) No Target Company has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code §355 or Code §361.

(i) No Target Company has engaged in any “listed transaction” as defined in the Treasury Regulations promulgated under Section 6011 of the Code.

(j) No Target Company has made an election under Section 108(i) of the Code.

(k) For U.S. federal, state, and local Tax purposes, People Resources has been a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code (and any corresponding provision of state, local or foreign Law) at all times since its incorporation. People Resources has no current and no potential liability for any Tax under Section 1374 of the Code (or any corresponding provision of state, local or foreign Law).

(l) For U.S. federal, state, and local Tax purposes, SRS has been a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code (and any corresponding provision of state, local or foreign Law) at all times since its organization. SRS has no current and no potential liability for any Tax under Section 1374 of the Code (or any corresponding provision of state, local or foreign Law).

(m) MGR has, for its entire existence, been properly classified as a disregarded entity for U.S. federal, state and local income Tax purposes.

## 2.16 Intellectual Property Rights.

(a) Schedule 2.16(a) of the Company Schedules contains a true, complete and correct list of all (i) registered Intellectual Property Rights (including Internet domain names) owned by any Target Company, (ii) pending patent applications and applications for registration of Intellectual Property Rights owned by or on behalf of any Target Company, (iii) computer software owned or used by any Target Company, other than mass-marketed, non-customized software with a replacement cost and/or annual license fee of less than \$10,000, and (iv) trade or corporate names, material unregistered trademarks, and material unregistered service marks owned by any Target Company.

(b) The Target Companies solely and exclusively own and possess all right, title and interest in and to, or have a valid and enforceable right to use pursuant to a license set forth on Schedule 2.16(b) of the Company Schedules, free and clear of all Liens (other than Permitted Liens), all of the Intellectual Property Rights necessary for or used in the operation of the Business as currently conducted. The Company Intellectual Property Rights owned by the Target Companies are valid, enforceable and subsisting and in full force and effect.

(c) Except as set forth on Schedule 2.16(c) of the Company Schedules, (i) there are no claims against any Target Company that were either made within the past six (6) years or are presently pending, or, except as set forth on Schedule 2.16(c) of the Company Schedules, to the Knowledge of the Companies, Threatened, asserting the invalidity or unenforceability of any of the Company Intellectual Property Rights or challenging the ownership or use thereof, (ii) to the Knowledge of the Companies, no Target Company has infringed, misappropriated or otherwise conflicted with, and the operation of the Business as currently conducted does not infringe, misappropriate or conflict with, any Intellectual Property Rights of other Persons, and no Target Company has received any written notices regarding any of the foregoing, and (iii) to the Knowledge of the Companies, no third party has infringed, misappropriated or otherwise conflicted with any of the Company Intellectual Property Rights owned by the Companies. The Contemplated Transactions will not impair the right, title or interest of any Target Company in and to the Company Intellectual Property Rights and the Computer Systems and all of the Company Intellectual Property Rights and the Computer Systems shall be owned or available for use by the Target Companies immediately after the Closing on terms and conditions identical to those under which the Target Companies owned or used the Company Intellectual Property Rights and Computer Systems immediately prior to the Closing. The Company Intellectual Property Rights owned by the Companies are not subject to any outstanding consent, settlement, decree, order, injunction, judgment or ruling restricting the use thereof.

(d) In the past twelve (12) months, there have been no material failures, breakdowns, or continued substandard performance of any of the software, firmware, hardware, networks, interfaces and related systems that are owned, used or relied on by any Target Company for the conduct of the Business (collectively, the "Computer Systems") that have caused any material disruption or material interruption in or to the use of the Computer Systems by any Target Company. Each Target Company has taken commercially reasonable steps to provide for the back-up and recovery of the data and other information critical to the conduct of its Business (including such data and information that is stored on magnetic or optical media) without material disruption to, or material interruption in, the conduct of the Business. Each

Target Company maintains commercially reasonable security, disaster recovery and business continuity plans, procedures and facilities.

(e) All past and present employees and independent contractors of, and consultants to, the Target Companies with access to material confidential Company Intellectual Property Rights or who have contributed to the development or creation of any Company Intellectual Property Rights have entered into agreements pursuant to which such employee, independent contractor or consultant agrees to protect such confidential Company Intellectual Property Rights and assign to a Target Company all Intellectual Property Rights authored, developed or otherwise created by such employee, independent contractor or consultant in the course of his, her, or its employment or other relationship with a Target Company, without further consideration or any restrictions or obligations on the use or ownership of such Intellectual Property Rights whatsoever, and such agreements are valid and enforceable in accordance with their terms.

2.17 Labor Matters. Schedule 2.17 of Company Schedules attached hereto contains a true, complete and correct list as of June 30, 2013 of (i) the employees employed by each Target Company (x) having an annual compensation in calendar year 2012 of \$50,000 or more or (y) who are expected to receive annual compensation in calendar year 2013 of \$50,000 or more, and (ii) the rate of all current compensation payable by any Target Company to each such employee, including, without limitation, any bonus, contingent or deferred compensation. Except as disclosed on Schedule 2.17 of the Company Schedules, with respect to the Target Companies: (a) there is no contractual or bargaining relationship with any labor organization or union, works councils or other organizations representing, purporting to represent or attempting to represent any employee; (b) to the Knowledge of the Companies, no employee (i) has expressed to Owner, Brian Summers or Bree Urech-Boyle verbally or in writing that such employee has any present intention to terminate his or her employment, or (ii) is a party to any confidentiality, non-competition, proprietary rights or other such agreement between such employee and any other Person besides the Target Companies that would be material to the performance of such employee's employment duties, or the ability of the Target Companies to conduct their business; (c) no labor organization or group of employees has filed any representation petition or made any written or oral demand for recognition; (d) to the Knowledge of the Companies, no union organizing or decertification efforts are underway or Threatened and no such activities have occurred within the past five (5) years; (e) no labor strike, work stoppage, slowdown, or other material labor dispute has occurred, and none is underway or, to the Knowledge of the Companies, Threatened and no such disputes have occurred during the past five (5) years; (f) there is no workers' compensation liability, experience or matter outside the Ordinary Course; (g) there is no employment-related Proceeding of any kind, pending or, to the Knowledge of the Companies, Threatened in any forum, relating to an alleged violation or breach by the Target Companies (or to the Knowledge of the Companies, its or their officers or directors) of any Law or Contract; (h) to the Knowledge of the Companies, no employee or agent of any Target Company has committed any act or omission giving rise to material liability for any violation or breach identified in subsection (g) above; (i) no Target Company has engaged in any unfair labor practices within the meaning of the National Labor Relations Act; (j) each Target Company is in compliance in all material respects with all applicable Laws relating to employment and employment practices, workers' compensation, terms and conditions of employment, worker

safety, wages and hours, civil rights, discrimination, immigration, collective bargaining, and the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §2109 et seq. or the regulations promulgated thereunder; and (k) there have been no claims of harassment, discrimination, retaliatory act or similar actions against any employee, officer or director of any Target Company at any time during the last four (4) years, and, to the Knowledge of the Companies, no facts exist that could reasonably be expected to give rise to such claims or actions.

## 2.18 Employee Benefits.

(a) Schedule 2.18(a) of the Company Schedules sets forth a complete and correct list of each “employee benefit plan” (as such term is defined in Section 3(3) of ERISA), each bonus, welfare benefit, deferred or incentive compensation, equity-based, change in control, employment, separation, retention, or severance plan, program, agreement, contract or arrangement, and each other benefit or compensation plan, program, agreement, contract or arrangement, in each case maintained, sponsored or contributed or required to be contributed to by any Target Company, or with respect to which any Target Company has any Liability (each an “Employee Benefit Plan” and collectively, the “Employee Benefit Plans”).

(b) The Target Companies have provided Buyer complete and correct copies of the most recent plan documents, summary plan descriptions, Internal Revenue Service determination letters, annual reports (Form 5500, with all applicable attachments), and all other material documentation pursuant to which each Employee Benefit Plan is maintained, funded and administered.

(c) Except as set forth in Schedule 2.18(c) of the Company Schedules, each Employee Benefit Plan (and each related trust, insurance contract or fund) has been maintained, funded and administered, in all material respects, in accordance with its terms and complies in form and in operation with all applicable requirements of ERISA, the Code and other applicable Laws. Each Target Company and each Person that at any relevant time is or was treated as a single employer with any Target Company for purposes of Section 414 of the Code (an “ERISA Affiliate”) have complied with the requirements of Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code, and any similar state Law (“COBRA”). Each Employee Benefit Plan that is intended to meet the requirements of a “qualified plan” under Section 401(a) of the Code is so qualified, has received a favorable determination letter from the Internal Revenue Service, and nothing has occurred that could adversely affect the qualification of such Employee Benefit Plan.

(d) With respect to each Employee Benefit Plan, all contributions or payments (including all employer contributions, employee salary reduction contributions, and premium payments) that are due have been made within the time periods prescribed by the terms of each Employee Benefit Plan, ERISA and the Code, and all contributions or payments for any period ending on or before the Closing Date that are not yet due have been made, paid or properly accrued.

(e) Except as set forth in Schedule 2.18(e), no Target Company, nor any ERISA Affiliate maintains, sponsors, contributes to, has any obligation to contribute to, had any

obligation within the last six (6) years to contribute to, or has any Liability under or with respect to: (i) any “defined benefit plan” as defined in Section 3(35) of ERISA or any other plan that is or was subject to the funding requirements of Section 412 of the Code or Section 302 or Title IV of ERISA, (ii) any “multiemployer plan” as defined in Section 3(37) of ERISA, (iii) any “multiple employer welfare arrangement” as defined in Section 3(40) of ERISA, (iv) any “multiple employer plan” within the meaning of Section 210 of ERISA or Section 413(c) of the Code, or (v) any benefit plan, program, agreement or arrangement that provides for post-retirement or post-termination health or life insurance or other welfare-type benefits.

(f) With respect to each Employee Benefit Plan, (i) there have been no non-exempt “prohibited transactions” (as defined in Section 406 of ERISA or Section 4975 of the Code), (ii) no “fiduciary” (as defined in Section 3(21) of ERISA) has any Liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of such Employee Benefit Plan, and (iii) no Proceeding (other than routine claims for benefits) is pending or, to the Knowledge of the Companies, Threatened, and no facts or circumstances exist that would give rise to or could reasonably be expected to give rise to any such Proceeding.

(g) Each Employee Benefit Plan (or any other agreement, program, policy or arrangement by or to which any Target Company is a party, is bound or is otherwise liable) that constitutes a nonqualified deferred compensation plan for purposes of Section 409A of the Code has been operated in good faith compliance with Section 409A of the Code and all applicable guidance from the Internal Revenue Service from the period beginning January 1, 2008 through the date of this Agreement.

(h) No Target Company has any Liability (including Liability under Title IV of ERISA or COBRA) with respect to any “employee benefit plan” (as defined in Section 3(3) of ERISA) by reason of at any time being treated as a single employer under Section 414 of the Code with any Person other than another Target Company.

(i) Except as set forth on Schedule 2.18(i) of the Company Schedules, the consummation of the Contemplated Transactions will not, either alone or in combination with another event, including, without limitation, a termination of any employee, officer, director, stockholder or other service provider of any Target Company, entitle any current or former employee, officer, director, stockholder or other service provider to any payment, require funding, or accelerate the time of payment or vesting, or increase the amount of compensation due to any such employee, officer, director, stockholder or other service provider, or give rise to any Liability under any Employee Benefit Plan, including, without limitation, Liability for severance pay, unemployment compensation, termination pay or withdrawal liability. No Target Company has any indemnity obligation on or after the Closing Date for any Taxes imposed under Section 4999 or 409A of the Code.

## 2.19 Environmental Matters.

(a) Except as set forth on Schedule 2.19(a) of the Company Schedules, each Target Company has for the past five (5) years complied and is in compliance, in all material

respects, with all Environmental Laws, which compliance has included obtaining and complying with all permits, licenses, certificates, accreditation and other authorizations required pursuant to Environmental Laws.

(b) Except as set forth on Schedule 2.19(b) of the Company Schedules, no Target Company has received any written, or to the Knowledge of the Company verbal, notice, report, order, directive, or other information regarding any actual or alleged material violation of, or any material Liability (including any investigatory, remedial or corrective obligation) under, Environmental Laws.

(c) Except as set forth on Schedule 2.19(c) of the Company Schedules, no Target Company has treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, released, or to the Knowledge of the Companies exposed any Person to any substance or owned or operated any property or facility (including the Leased Real Property) which is or has been contaminated by any substance, so as to give rise to any material Liabilities (including any investigatory, corrective or remedial obligations) pursuant to any Environmental Laws.

(d) Except as set forth on Schedule 2.19(d) of the Company Schedules, no Target Company has, either expressly or by operation of Law, assumed, undertaken, or provided an indemnity with respect to any material Liability (including any investigatory, remedial or corrective obligation) of any other Person relating to Environmental Laws.

(e) The Companies have furnished to Buyer true and correct copies of all environmental audits, reports and assessments and all other material environmental, health or safety documents relating to the past or current operations, properties or facilities of the Business (including the Leased Real Property), in each case which are in their possession or under their reasonable control.

2.20 Customers; Independent Affiliate Counselors. Schedule 2.20 of the Company Schedules completely and correctly sets forth a list of the top twenty (20) customers of the Target Companies, taken as a whole (in the aggregate, the “Material Customers”) and the top twenty (20) independent affiliate counselors of the Target Companies, taken as a whole (in the aggregate, the “Material Counselors”), by dollar volume of payments from or to each, respectively, and sets forth the annual dollar amount of payments from or to each, for the fiscal years ended December 31, 2012 and December 31, 2011 and for the five-month period ended on May 31, 2013. Since December 31, 2012, none of Seller, Owner or any officer or director of any Target Company has received any written or, to the Knowledge of the Companies, any verbal notice from such Material Counselor to the effect that any Material Counselor will stop or materially reduce the rate of supplying services or materially change the terms (whether related to payment, price or otherwise) with respect to supplying such services to any Target Company (whether as a result of the consummation of the Contemplated Transactions or otherwise). Since December 31, 2012, none of Seller, Owner or any officer or director of any Target Company has received any written or, to the Knowledge of the Companies, any verbal notice from any Material Customer to the effect that such Material Customer will stop, or materially decrease the rate of, buying products of any Target Company. Except as accrued in the Interim Balance Sheet

or as will be accrued for in the Estimated Closing Net Working Capital and the Closing Net Working Capital, no Target Company has any material Liability to any customer or other Person with respect to or arising out of, any sale adjustment, discount, rebate or other similar obligation.

2.21 Insurance. Schedule 2.21 of the Company Schedules contains a description of each insurance policy maintained by or on behalf of any Target Company with respect to its properties, assets and business, and each such policy is in full force and effect, all premiums have been paid, and no written notice of cancellation or termination has been received by Seller or any Target Company with respect to any such policy. Each such policy shall be in full force and effect as of the Closing or a substituted policy shall have been obtained therefor. Such policies are sufficient for material compliance with all Contracts to which any Target Company is a party or by which it is bound. The scope and amount of each of these insurance policies are, and have been since December 31, 2010, customary and reasonable for the Business. No Target Company is in default with respect to its obligations under any insurance policy maintained by it or on behalf of any Target Company, and no Target Company has ever been denied insurance coverage. Except as set forth on Schedule 2.21 of the Company Schedules, (i) no Target Company has any self-insurance or co-insurance program and (ii) the insurance policies will not be affected or terminated or lapse by reason of the Contemplated Transactions.

2.22 Brokerage. Except as set forth on Schedule 2.22, which shall be paid on or prior to the Closing, there are and shall be no claims for brokerage commissions, finders' fees or similar compensation in connection with the Contemplated Transactions based on any Contract to which Seller, Owner or any Target Company is a party or to which any Target Company is subject for which such Target Company (after the Closing) or Buyer or their respective Affiliates could become obligated.

2.23 Affiliate Transactions. Except as set forth on Schedule 2.23 of the Company Schedules, no employee, shareholder or other Affiliate of Seller, Owner or any Target Company, or any member of such Person's Family or any entity in which any such Person or individual owns any beneficial interest, is a party to any agreement, contract, commitment or transaction with any Target Company or has any interest in any property used by any Target Company.

2.24 Bank Accounts. Schedule 2.24 of the Company Schedules sets forth with regard to each bank account, safety deposit box and lock box of each Target Company, the name of the institution where such account is maintained, the account number, a list of the authorized signatories and its purpose. Other than the accounts listed on Schedule 2.24 of the Company Schedules, no Target Company maintains any accounts, lockboxes or safe deposit boxes at any bank, trust company, savings institution, brokerage firm or other financial institution.

### **ARTICLE III**

#### **Representations and Warranties with respect to Seller and Owner**

As a material inducement to Buyer to enter into this Agreement and to consummate the Contemplated Transactions, each of Seller and Owner hereby, jointly and severally, make the representations and warranties set forth in this Article III, except as otherwise set forth in the Company Schedules. The Company Schedules are numbered to correspond to the various



sections of Article II and this Article III setting forth certain exceptions to the representations and warranties contained in Article II and this Article III and certain other information called for by this Agreement, subject to the terms and conditions described therein.

3.1 Equity Interests. Seller holds beneficially and of record all Equity Interests in each Company, free and clear of any Liens. At the Closing, valid title to the Target Interests will pass to Buyer, free and clear of any Liens. As of the Closing, the Target Interests transferred by Seller hereunder will be duly authorized, validly issued and non-assessable and will have been issued free and clear of any preemptive or similar rights.

3.2 Power and Authority. Seller is duly created and validly existing under the Laws of its jurisdiction of creation. Seller possesses all requisite power and authority necessary to execute and deliver this Agreement and to carry out the Contemplated Transactions. This Agreement and all Related Agreements to which Seller and Owner are parties, when executed and delivered by Seller and Owner in accordance with the terms hereof, shall each constitute a valid and binding obligation of Seller and Owner, enforceable in accordance with its terms, except as the enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or similar Laws in effect which affect the enforcement of creditors' rights generally or (ii) general principles of equity, whether considered in a Proceeding at law or in equity.

3.3 No Breach. The execution, delivery and performance by Seller and Owner of this Agreement and all Related Agreements to which they are a party, and the fulfillment of and compliance with the respective terms hereof and thereof by Seller and Owner do not and shall not (i) conflict with or result in a breach of the terms, conditions or provisions of, (ii) constitute a default under (whether with or without the passage of time, the giving of notice or both), (iii) give any third party the right to modify, terminate or accelerate any obligation under, (iv) result in a violation of, or (v) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any third party or any Governmental Entity pursuant to, (A) any Law to which Seller or Owner is subject, except as would not materially impair the ability of the Parties to consummate the Contemplated Transactions, or (B) any material Contract to which Seller or Owner is a party.

3.4 Affiliate Transactions. Except as set forth on Schedule 3.4 of the Company Schedules, no employee, shareholder or other Affiliate of Seller or Owner, or any member of Owner's Family or any entity in which Seller or Owner owns any beneficial interest, is a party to any Contract, commitment or transaction with any Target Company or has any interest in any property used by any Target Company.

3.5 Brokerage. Except as set forth on Schedule 3.5, which shall be paid on or prior to the Closing, there are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Contemplated Transactions based on any Contract to which Seller or Owner is a party, or to which Seller or Owner is subject, for which any Target Company (after the Closing) or Buyer could become obligated.

3.6 Litigation; Prohibited Payments.

(a) There are no Proceedings pending or, to the Knowledge of Seller or Owner, Threatened against or affecting Seller or Owner in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the Contemplated Transactions.

(b) Seller and Owner have not, directly or indirectly, (i) made or agreed to make any contribution, payment or gift to any government official, employee or agent where either the contribution, payment or gift or the purpose thereof was illegal under the Laws of any federal, state, local or foreign jurisdiction, (ii) established or maintained any unrecorded fund or asset for any purpose or made any false entries on the books and records of any Target Company for any reason or (iii) paid or delivered any illegal or improper fee, commission or any other sum of money or item of property, however characterized, to any finder, agent, government official or other party, in the United States or any other country, which in any manner relates to the assets, business or operations of any Target Company.

### 3.7 Information; Limitations.

(a) All documents and information made available on Sellers' electronic data room maintained within <https://fortunegrp.firmex.com> or provided to or made available to Buyer or its representatives (collectively, the "Information") shall be deemed "delivered" or "made available" to Buyer.

(b) Except as expressly set forth in this Agreement, neither Seller nor Owner make any representation or warranty, written or oral, express or implied, at law (including statutory) or in equity and all such other representations or warranties are hereby expressly disclaimed, except in the case of fraud. Without limiting the foregoing, neither Seller nor Owner is making any representation or warranty to Buyer with respect to the completeness or accuracy of the Information (except as expressly set forth in this Agreement or the Company Schedules), the information set forth in any confidential investor memorandum (including any supplement or modification thereof) delivered to Buyer in connection with the Contemplated Transactions, or any financial projection, financial model or forecast relating to the Companies and/or the Business, except in the case of fraud.

## **ARTICLE IV Representations and Warranties of Buyer**

As a material inducement to Seller and Owner to enter into this Agreement and consummate the Contemplated Transactions, Buyer hereby represents and warrants to Seller as follows:

4.1 Organization, Power and Authority. Buyer is duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation. Buyer possesses all requisite power and authority necessary to execute and deliver this Agreement and to carry out the Contemplated Transactions. The execution, delivery and performance of this Agreement and the Related Agreements to which Buyer is a party have been duly authorized by Buyer. Assuming that Seller and Owner have each duly authorized, executed and delivered this Agreement and all Related Agreements to which they are a party, this Agreement and all Related Agreements to

which Buyer is a party, when executed and delivered by Buyer in accordance with the terms hereof, shall each constitute a valid and binding obligation of Buyer, enforceable in accordance with its terms, except as the enforceability thereof may be limited by (A) applicable bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or similar Laws in effect which affect the enforcement of creditors' rights generally or (B) general principles of equity, whether considered in a Proceeding at law or in equity.

4.2 No Breach. The execution, delivery and performance by Buyer of this Agreement and the Related Agreements to which Buyer is a party, and the fulfillment of and compliance with the respective terms hereof and thereof by Buyer, do not and shall not (1) conflict with or result in a breach of the terms, conditions or provisions of, (2) constitute a default under (whether with or without the passage of time, the giving of notice or both), (3) give any third party the right to modify, terminate or accelerate any obligation under, (4) result in a violation of, or (5) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any third party or Governmental Entity pursuant to, (A) the Governing Documents of Buyer, (B) any Law to which Buyer is subject, or (C) any Contract to which Buyer is subject.

4.3 Brokerage. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Contemplated Transactions based on arrangement or Contract to which Buyer is a party or to which Buyer is subject for which Seller or Owner could become liable or obligated.

4.4 Litigation. There are no Proceedings pending or, to the knowledge of Buyer, Threatened against or affecting Buyer in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with the Contemplated Transactions.

4.5 Investment Representation. Buyer is acquiring the Target Interests for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of federal or state securities Laws. Buyer is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act. Buyer understands that the Target Interests have not been registered under the Securities Act or any state securities Laws and are being transferred to Buyer, in part, in reliance on the foregoing representation.

## **ARTICLE V**

### **Certain Covenants and Additional Agreements**

5.1 Transfer Taxes. Seller shall bear all transfer, documentary, sales, use, registration and other related Taxes and fees (including any penalties, interests and additions to Taxes) relating to the Contemplated Transactions; provided, for clarity, that each Party will bear its own income Taxes. Each Party shall cooperate with the other Parties to timely prepare and file all Tax Returns as may be reasonably required to comply with the provisions of applicable Tax Laws. Each Party shall cooperate with the other Parties to minimize, to the extent permitted by Law, the amount of any sales Taxes, transfer Taxes or similar Taxes and fees imposed with respect to the Contemplated Transactions.

5.2 Tax Matters. Upon written notice to Seller by Buyer, Seller will join Buyer in making an election under Section 338(h)(10) of the Code (and any corresponding elections under state, local and foreign Tax Law) (collectively, the “Section 338(h)(10) Elections”), with respect to the purchase and sale of the Target Interests, and Buyer and Seller shall take all such actions as are necessary to make effective the Section 338(h)(10) Elections, including the timely execution, delivery and filing of all Tax Returns (including IRS Forms 8023 and 8883) in respect thereof. The Parties agree that the allocation for purposes of the Section 338(h)(10) Elections shall be in accordance with Schedule 5.2. Seller will include any income, gain, loss, deduction or other Tax item resulting from the Section 338(h)(10) Elections on its Tax Returns to the extent permitted or required by applicable Laws. Buyer shall prepare, or cause to be prepared, all Tax Returns required to be filed by the Target Companies after the Closing Date with respect to a Pre-Closing Tax Period, including, without limitation, a short-year Tax Return pursuant to Section 1362 of the Code and the Treasury Regulations promulgated thereunder. Any such Tax Return shall be prepared in a manner consistent with past practice of the Target Companies with respect to filings of federal, state and local Tax Returns (unless otherwise required by Law) and without a change of any election or any accounting method and shall be submitted by Buyer to Seller (together with schedules, statements and, to the extent requested by Seller, supporting documentation) at least sixty (60) days prior to the due date (including extensions) of such Tax Return. If Seller objects to any item on any such Tax Return, it shall, within twenty (20) days after its receipt of such Tax Return, notify Buyer in writing that it so objects, specifying any such item and stating the basis for any such objection. If a notice of objection shall be timely delivered, Buyer and Seller shall negotiate in good faith and use their reasonable best efforts to resolve such items. If Buyer and Seller are unable to reach such agreement within ten (10) days after receipt by Buyer of such notice, the disputed items shall be resolved by the Accounting Firm and any determination by the Accounting Firm shall be final and binding upon the Parties. The Accounting Firm shall resolve any disputed items within twenty (20) days of having the item referred to it pursuant to such procedures as it may require. All fees and expenses relating to the work, if any, to be performed by the Accounting Firm shall be borne equally by Buyer and Seller. Buyer shall indemnify, defend and hold harmless Seller and Owner from and against any and all Losses imposed upon or incurred by Seller and Owner, directly or indirectly, arising out of, resulting from or in connection with Buyer’s failure to timely file any Tax Return in accordance with this Section 5.2. The Parties shall provide each other with such cooperation and information as either of them reasonably may request of the other in filing any Tax Return pursuant to this Section 5.2 or in connection with any audit or other proceeding in respect of Taxes relating to any Target Company. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Buyer shall not cause any amendment to any Tax Return of the Target Companies relating to the period prior to the Closing Date, including, without limitation, the short-year Tax Return pursuant to Section 1362 of the Code and the Treasury Regulations promulgated thereunder, in each case without the prior written consent of Seller, such consent not to be unreasonably withheld, conditioned or delayed.

5.3 Fees and Expenses. Except as explicitly set forth in this Agreement, Buyer shall pay all costs and expenses incurred by Buyer in connection with the negotiation, preparation and entry into this Agreement and the consummation of the Contemplated Transactions. Except as

explicitly set forth in this Agreement, Seller shall pay all costs and expenses incurred by Seller, Owner or any Target Company (but, solely as to any Target Company, only to the extent incurred prior to the Closing and not reflected in the calculation of Closing Net Working Capital or otherwise taken into account in the Adjustment Amount) in connection with the negotiation, preparation and entry into this Agreement and the consummation of the Contemplated Transactions. Notwithstanding anything herein to the contrary, if any Party commences or is made a Party to a Proceeding to enforce or interpret this Agreement (including with respect to dispute over indemnity claims pursuant to Article VI), the Party that prevails in such Proceeding (as determined based on the disputed money claims involved in such Proceeding or, to the extent such Proceeding does not involve money claims, based on the issues involved in such Proceeding; provided that, for the sake of clarity, the Party that prevails with respect to the preponderance of the money in dispute, or as to non-money claims the preponderance of such issues, shall be deemed the prevailing Party with respect to such Proceeding) shall be entitled to recover from the other Party all reasonable attorneys' fees, costs and expenses incurred in connection with such Proceeding or any appeal or enforcement of any judgment obtained in such Proceeding.

#### 5.4 Non-Compete; Non-Solicit; Confidentiality.

(a) Non-Competition. In consideration of transactions contemplated hereby and the payment to be made to Seller at the Closing, during the period beginning on the Closing Date and ending on the fifth (5th) anniversary of the Closing Date (the "Non-Compete Period"), Seller and Owner each agree jointly on behalf of themselves, Seller's employees, shareholders and their respective other Affiliates (including any company or other entity controlled by Seller or Owner or a member of Owner's Family or in which Seller or Owner or a member of Owner's Family owns any beneficial interest (whether currently existing or hereafter acquired or formed)) that neither Seller nor Owner shall, without the prior written consent of Buyer, directly or indirectly, in any capacity, own any interest in, manage, control, participate in, consult with, render services for, or in any manner engage in the Business or any business competing with the Business anywhere in the world. Seller and Owner each acknowledge that the Business is planned to be conducted worldwide and agrees that the provisions in this Section 5.4 shall operate throughout the world. Nothing herein shall prohibit Seller or Owner from being a passive owner of not more than two percent (2%) of the outstanding stock of any class of a corporation which is publicly traded, so long as Seller or Owner, as the case may be, has no active participation in the business of such corporation.

(b) Non-Solicitation; Non Disparagement. In consideration of transactions contemplated hereby and the payment to be made to Seller at the Closing, during the Non-Compete Period, Seller and Owner each jointly agree on behalf of themselves, Seller's employees, shareholders and their respective other Affiliates (including any company or other entity controlled by Seller or Owner or a member of Owner's Family or in which Seller or Owner or a member of Owner's Family owns any beneficial interest (whether currently existing or hereafter acquired or formed)) that they shall not, without the prior written consent of Buyer, directly or indirectly (i) solicit or induce, or attempt to solicit or induce any employee of any Target Company to leave the employ of such Target Company, or in any way interfere with the relationship between any Target Company and any employee thereof, (ii) hire any Person who

was an employee of any Target Company at any time during the six (6) month period prior to the Closing Date or such date, except as a result of a general solicitation in news media of general circulation, or (iii) induce or attempt to induce any customer, supplier, vendor, service provider, employee, licensee, licensor, lessor, franchisee or other business relation of any Target Company or the Business to cease doing business with any Target Company, or in any way interfere with the relationship between any such customer, supplier, vendor, service provider, employee, licensee, licensor, lessor, franchisee or other business relation and any Target Company (including making any negative statements or communications about Buyer, any Target Company or the Business), in each case except with respect to Caroline Mug.

(c) Confidentiality. From and after the Closing, Seller and Owner hereby undertake and agree on behalf of itself, herself and their respective Affiliates (including any company or other entity controlled by Seller or Owner (whether currently existing or hereafter acquired or formed)), directly or indirectly, to treat and hold as confidential any information concerning the business or affairs of Buyer, each Target Company and the Business that is not already generally available to the public or does not become generally available to the public following the date hereof (the "Confidential Information"), refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Buyer, or destroy, at the request and option of Buyer, all embodiments (including all copies) of the Confidential Information which are in Seller's or Owner's possession or under Seller's or Owner's control. In the event that Seller or Owner is requested or required (by oral question or request for information or documents in any Proceeding, or by interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, Seller or Owner, as the case may be, shall notify Buyer promptly in writing of the request or requirement so that Buyer may seek an appropriate protective order or waive compliance with the provisions of this Section 5.4(c). If, in the absence of a protective order or the receipt of a waiver hereunder, Seller or Owner is, on the written advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, Seller or Owner, as the case may be, may disclose the Confidential Information to the tribunal; *provided*, that Seller and Owner shall use reasonable best efforts to obtain, at the request and sole cost and expense of Buyer, an order or other assurance that confidential treatment shall be accorded to such portion of the Confidential Information required to be disclosed as Buyer shall designate.

(d) Press Releases and Announcements. After the date hereof, no Party will make any press release or other public announcement with respect to the terms of this Agreement (including, for clarity, the amount of consideration) or any of the Contemplated Transactions without the other Parties' prior written consent (such consent not to be unreasonably withheld, conditioned or delayed). For the avoidance of doubt, the preceding sentence shall not prohibit either Party from making any press release or other public announcement with respect to the existence of this Agreement or the consummation of the Contemplated Transactions. After the Closing, neither Seller nor Owner will make any press release or other public announcement of or with respect to the Business.

(e) Remedy for Breach. Seller and Owner each acknowledge that the covenants contained in Section 5.4 hereof are of a special, unique, unusual and extraordinary character, which give them peculiar value, the loss of which cannot be reasonably or adequately

compensated in an action at law, and that, in the event there is a breach thereof by Seller, Owner or any of their respective Affiliates, Buyer will suffer irreparable harm, the amount of which will be impossible to ascertain. Accordingly, Buyer shall be entitled, if it so elects, to institute and prosecute Proceedings in any court of competent jurisdiction, either at law or in equity, to obtain damages for any breach or to enforce specific performance of the provisions or to enjoin Seller, Owner or any of their respective Affiliates from committing any act in breach of any covenant contained in this Section 5.4, in each case without the requirement of posting a bond or proving actual damages. If Buyer is obliged to resort to the courts for the enforcement of any of the covenants contained in this Section 5.4, each such covenant shall be extended for a period of time equal to the period of such breach, if any, which extension shall commence on the later of (i) the date on which the original (unextended) term of such covenant is scheduled to terminate or (ii) the date of the final court order (without further right of appeal) enforcing such covenant.

(f) Enforcement. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 5.4 is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

(g) Acknowledgment. Seller and Owner each expressly acknowledge and agree that (i) each and every restriction contained in this Section 5.4 is reasonable in all respects (including with respect to subject matter, time period and geographical area) and such restrictions are necessary to protect Buyer's interest in, and value of, the Target Companies (including the goodwill inherent therein), (ii) Seller and Owner are primarily responsible for the creation of such value and (iii) Buyer would not have entered into this Agreement and consummated the transactions contemplated hereby without the restrictions contained in this Section 5.4.

5.5 Release. As a material inducement to Buyer to enter into this Agreement, effective as of the Closing, each of Owner, Seller, Seller's employees, shareholders and their respective other Affiliates (including any company or other entity controlled by Seller or a member of Seller's Family or in which Seller or a member of Seller's Family owns any beneficial interest (whether currently existing or hereafter acquired or formed)), directly or indirectly, agrees not to sue and fully releases and discharges each Target Company, Buyer and their respective directors, officers, employees, assigns and successors (collectively, the "Buyer Releasees"), with respect to and from any and all Losses, Liens, Liabilities (including employment contracts), covenants or Proceedings, of whatever kind or nature in Law, equity or otherwise, whether now known or unknown, and whether or not concealed or hidden, all of which Seller or Owner now owns or holds or has at any time owned or held against Buyer Releasees; provided, that nothing in this Section 5.5 will be deemed to constitute a release by Seller and Owner of any right to enforce its rights under this Agreement, any Related Agreement, any claim arising from or relating to this Agreement or any Related Agreement, bringing any claim against the Buyer Releasees arising from the Contemplated Transactions, or

any other right or claim that shall arise from events following the Closing. It is the intention of Seller and Owner that such release be effective as a bar to each and every claim, demand and cause of action hereinabove specified. In furtherance of this intention Seller and Owner each hereby expressly waive, effective as of the Closing, any and all rights and benefits conferred upon them by the provisions of Law and expressly consent that this release will be given full force and effect according to each and all of its express terms and provisions, including those related to unknown and unsuspected claims, demands and causes of action, if any, as those relating to any other claims, demands and causes of action hereinabove specified, but only to the extent such section is applicable to releases such as this.

5.6 Insurance Claims. The Parties acknowledge and agree that the Target Companies have made certain insurance claims with respect to the Target Companies' insurance policies in connection with the matters set forth on Schedule 6.2(a)(vi) (the "Insurance Claims"). The Parties further agree that Seller shall have the right to control all matters relating to the Insurance Claims, in its own name or on behalf of the Target Companies; provided, that all of Seller's costs and expenses with respect to matters relating to the Insurance Claims shall be at Seller's own expense; provided, further, that Buyer shall have the right to participate with respect to matters related to the Insurance Claims at its own expense, other than in the event of a conflict of interest requiring the retention of separate counsel. Seller shall keep Buyer reasonably informed of the status of such Insurance Claims and provide Buyer with a reasonable good faith opportunity to consult with Seller with a view toward mitigating Losses with respect to such Insurance Claims. Notwithstanding any other provision of this Agreement, no settlement, agreement, compromise or other final determination relating to the Insurance Claims that imposes any restrictions or obligations on the Target Companies other than monetary obligations (which Seller has (i) agreed to indemnify Buyer pursuant to Section 6.2(a)(vi) and (ii) actually paid the Buyer Indemnitees) shall be made without Buyer's prior written consent, which consent shall not be unreasonably withheld. For the avoidance of doubt, in accordance with the provisions of Section 6.2(a)(vi) of this Agreement, Owner and Seller, shall, jointly and severally, indemnify the Buyer Indemnitees for any Losses incurred by the Buyer Indemnitees in connection with matters related to the Insurance Claims, other than any costs that Buyer incurs if it chooses to participate with respect to matters related to the Insurance Claims in accordance with the second sentence of this Section 5.6. Buyer shall promptly cause to be paid to Seller the net proceeds actually received by the Target Companies with respect to the Insurance Claims after receipt thereof by the applicable recipient, less any reductions to indemnification obligations with respect to such net proceeds pursuant to Section 6.4(d) as of the time such net proceeds are received.

5.7 Governmental Proceedings. The Parties acknowledge and agree that in the event any Proceeding is initiated by any Governmental Entity in connection with the matters set forth on Schedule 6.2(a)(vi) (the "Governmental Proceedings"), Seller shall have the right to control all matters relating to the Governmental Proceedings, in its own name or on behalf of the Target Companies; provided, that all of Seller's costs and expenses with respect to matters relating to the Governmental Proceedings shall be at Seller's own expense; provided, further, that Buyer shall have the right to participate with respect to matters related to the Governmental Proceedings at its own expense, other than in the event of a conflict of interest requiring the retention of separate counsel. Seller shall keep Buyer reasonably informed of the status of such Governmental Proceedings and provide Buyer with a reasonable good faith opportunity to



consult with Seller with a view toward mitigating Losses in connection with respect to such Governmental Proceedings. Notwithstanding any other provision of this Agreement, no settlement, agreement, compromise or other final determination relating to the Governmental Proceedings (a “Final Determination”) shall be made without Buyer’s prior written consent, which consent shall not be unreasonably withheld. If Buyer does not give such consent, Buyer may assume control of the matters with respect to the Governmental Proceedings, free of any participation by Seller, at Buyer’s sole expense. In the event that Seller proposes a Final Determination that imposes only monetary obligations on the Target Companies (and no other impact, effect, restriction or obligation), the obligation of Seller (whether pursuant to its indemnification obligations hereunder or otherwise) to Buyer with respect to the Governmental Proceedings shall be limited to the lesser of (i) the amount set forth pursuant to the Final Determination Buyer declined to accept, or (ii) the actual out-of-pocket amount Buyer is obligated to pay as a result of the Governmental Proceedings. For the avoidance of doubt, in accordance with the provisions of Section 6.2(a)(vi) of this Agreement, Owner and Seller, shall, jointly and severally, indemnify the Buyer Indemnitees for any Losses incurred by the Buyer Indemnitees in connection with matters related to the Governmental Proceedings, other than any costs that Buyer incurs if it chooses to participate with respect to matters related to the Governmental Proceedings in accordance with the first sentence of this Section 5.7. In the event of any conflict between the provisions of this Section 5.7 and the provisions of Section 6.3, the provisions of this Section 5.7 shall govern and control.

## **ARTICLE VI**

### **Indemnification**

6.1 Survival of Representations and Warranties. The representations and warranties in this Agreement shall survive the Closing for a period of twelve (12) months following the Closing Date, except that the representations and warranties set forth in Sections 2.1 (Organization and Corporate Power), 2.3 (Capitalization), 2.4 (Subsidiaries; Investments), 2.15 (Tax Matters), 2.19 (Environmental Matters), 2.22 (Brokerage), 2.23 (Affiliate Transactions), 3.1 (Equity Interests), 3.2 (Power and Authority), 3.4 (Affiliate Transactions), 3.5 (Brokerage), 4.1 (Organization, Power and Authority) and 4.3 (Brokerage) (collectively, “Material Representations”) shall survive until ninety (90) days after the end of the applicable statute of limitations; *provided*, that any representation or warranty in respect of which indemnity may be sought under this Article VI, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to this Section 6.1 if written notice of the specific inaccuracy or breach or potential inaccuracy or breach of such representation or warranty giving rise to such right or potential right of indemnity shall have been given to the Party against whom such indemnity may be sought prior to such time. The representations and warranties in this Agreement or in any Related Agreement and each Party’s indemnification obligations pursuant to this Article VI shall survive for the periods set forth in this Section 6.1. The representations and warranties in this Agreement shall in no event be affected by any investigation, inquiry or examination made for or on behalf of any Party, or the knowledge of any Party’s officers, directors, shareholders, employees or agents or the acceptance by Buyer of any certificate or opinion hereunder. The obligations with respect to any Losses suffered relating to fraud or misrepresentation of a significant fact or the volitional withholding of any significant fact by any Party shall not expire.

6.2 General Indemnification.

(a) Indemnification Obligations of Seller. Subject to the limitations contained in this Article VI, Owner and Seller, shall, jointly and severally, indemnify Buyer, the Target Companies and their respective Affiliates, shareholders, partners, officers, directors, employees, agents, representatives, successors and permitted assigns (collectively, “Buyer Indemnitees”) and save and hold each of them harmless against and pay on behalf of or reimburse such Buyer Indemnitees as and when incurred for any loss, liability, action, cause of action, cost, damage, Tax or expense, whether or not arising out of third party claims (including interest, penalties, reasonable attorneys’, consultants’ and experts’ fees and expenses and all amounts paid in investigation, defense or settlement of any of the foregoing and after deducting all insurance proceeds in connection with any of the foregoing) (collectively, “Losses”, and each a “Loss”), which any such Buyer Indemnitee suffers, sustains or becomes subject to, as a result of or in connection with:

(i) any facts or circumstances which constitute a breach of any representation or warranty on the part of the Target Companies, Owner or Seller under this Agreement or any Related Agreement executed by the Companies, Owner or Seller;

(ii) any nonfulfillment of or breach of any covenant, agreement or other provision by (x) any Target Company prior to Closing or (y) Seller or Owner under this Agreement;

(iii) any Pre-Closing Taxes;

(iv) any Indebtedness of the Target Companies as of immediately prior to Closing that remains outstanding after the Closing;

(v) any Unpaid Company Expenses to the extent not included in the calculation of the Final Purchase Price (as determined in accordance with this Agreement);

(vi) any Losses or Liabilities arising out of the matters set forth on Schedule 6.2(a)(vi);

(vii) the failure of any Target Company to maintain a Knox Keene license, to the extent required by applicable Law; *provided, however*, that such Losses shall only be determined as they relate to the Target Companies, and not Buyer, its Affiliates or any other Person.

If and to the extent any provision of this Section 6.2(a) is unenforceable for any reason, Seller hereby agrees to make the maximum contribution to the payment and satisfaction of the Loss for which indemnification is provided for in this Section 6.2(a) which is permissible under applicable Laws. Notwithstanding anything to the contrary contained herein, in no event shall any Target Company be required to provide indemnification or contribution for any obligation of Seller or Owner under this Section 6.2(a).

(b) Indemnification Obligations of Buyer. Buyer shall indemnify Seller, Owner and their respective Affiliates (other than any Target Company) (collectively, “Seller Indemnitees”) and hold them harmless against any Losses which Seller Indemnitees suffers, sustains or becomes subject to, as a result of or in connection with:

(i) any facts or circumstances which constitute a breach of any representation or warranty on the part of Buyer under this Agreement or in any Related Agreement; or

(ii) any nonfulfillment or breach of any covenant, agreement or other provision by Buyer under this Agreement.

If and to the extent any provision of this Section 6.2(b) is unenforceable for any reason, Buyer hereby agrees to make the maximum contribution to the payment and satisfaction of the Loss for which indemnification is provided for in this Section 6.2(b) which is permissible under applicable Laws.

(c) Determination of Loss and Amount. Solely for purposes of determining the amount of any Loss for purposes of an indemnification claim (but not for purposes of whether a breach has occurred or any Loss has occurred pursuant to this Agreement), the representations, warranties, covenants and agreements of the Parties set forth in this Agreement and the Related Agreements will be considered without regard to any materiality or Material Adverse Effect qualification set forth therein.

### 6.3 Procedure for Indemnification.

(a) If there is asserted any claim, liability, or obligation that, in the judgment of a Party indemnified above (the “Indemnified Party”), may give rise to any indemnifiable loss (an “Indemnified Loss”), such Indemnified Party shall give the Party from whom indemnity is sought (the “Indemnifying Party”) notice (a “Notice of Claim”) within thirty (30) days of the assertion of any claim, liability or obligation by a third party a (“Third Party Claim”), or within ten (10) Business Days of receipt of notice of the filing of any lawsuit or initiation of any other action based upon such assertion. Failure by the Indemnified Party to give timely notice pursuant to this Section 6.3(a) shall not relieve the Indemnifying Party of its obligations, except to the extent that the Indemnifying Party is actually prejudiced by such failure to give timely notice. The Notice of Claim, whether with respect to a Third Party Claim or otherwise, shall, based on available information, specify the breach of representation, warranty or covenant claimed by the Indemnified Party and the Losses incurred by, or anticipated to be incurred by, the Indemnified Party on account thereof. With respect to any Third Party Claim, the Notice of Claim shall give the Indemnifying Party a reasonable opportunity to assume the defense of such claim, liability or obligation, using counsel reasonably acceptable to the Indemnified Party, in accordance with Section 6.3(b).

(b) With respect to any Third Party Claim, subject to the terms and conditions of this Section 6.3(b), the Indemnifying Party shall have the right, upon receipt of the Notice of Claim and at its expense, to defend such Third Party Claim in its own name or, if necessary, in

the name of the Indemnified Party. The Parties agree that as a condition precedent to the Indemnifying Party assuming the defense of any Third Party Claim, the Indemnifying Party must first (A) demonstrate to the Indemnified Party its financial ability to provide full indemnification for such Losses, (B) demonstrate that, after giving effect to the application of the limitations in this Article VI, the Indemnifying Party is reasonably likely to be responsible for a greater portion of the Losses than the Indemnified Party and (C) with respect to such portion, agree in writing that such claim is indemnifiable hereunder without any reservation of rights, defense or similar claims. In addition, the Indemnifying Party shall not be entitled to assume control of such defense if (1) the Third Party Claim relates to or arises in connection with any criminal proceeding; (2) the Third Party Claim is against a Material Customer or Workplace Options, Inc.; (3) the Third Party Claim seeks an injunction or equitable relief against the Indemnified Party; (4) the Indemnified Party waives its right to indemnification hereunder with respect to such Third Party Claim; or (5) the Indemnifying Party fails to contest in good faith any such claim, liability or obligation. Notwithstanding the foregoing, if the Third Party Claim involves a matter solely of concern to the Indemnified Party in addition to the claim for which indemnification under this Article VI is being sought, such matter of sole concern shall be within the sole responsibility and expense of the Indemnified Party and its counsel. In the event that the Indemnifying Party assumes the defense, (i) the Indemnified Party shall have the right to participate in such defense; provided that, if the Indemnified Party retains separate counsel, other than in the event of a conflict of interest requiring the retention of separate counsel, the Indemnified Party shall assume the expense of the separate counsel and (ii) the Indemnified Party shall cooperate with the Indemnifying Party in any such defense which the Indemnifying Party elects to assume in the event the Indemnifying Party makes such request to the Indemnified Party and such request is reasonable, provided the Indemnifying Party shall hold the Indemnified Party harmless from all of its out-of-pocket expenses, including reasonable attorneys' fees, incurred in connection with the Indemnified Party's cooperation. Notwithstanding any other provision of this Agreement, no settlement or adjustment shall be made without the Indemnified Party's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding anything contained elsewhere in this Section 6.3, if an offer of compromise is received by the Indemnifying Party with respect to a claim related to any Indemnified Loss, such Indemnifying Party must promptly notify in writing the Indemnified Party in writing of the Indemnifying Party's willingness to compromise or settle such claim on the basis set forth in such notice. If the Indemnified Party declines to accept such compromise or settlement, the Indemnified Party may continue to contest such claim, free of any participation by the Indemnifying Party, at the Indemnified Party's sole expense. In such event, the obligation of the Indemnifying Party to the Indemnified Party with respect to such claim shall be equal to the lesser of (i) the amount of the offer of compromise or settlement which the Indemnified Party declined to accept, or (ii) the actual out-of-pocket amount the Indemnified Party is obligated to pay as a result of the Indemnified Party's continuing to contest such claim.

(c) Upon receipt of a Notice of Claim that does not involve a Third Party Claim, the Indemnifying Party shall have thirty (30) calendar days from the receipt of such Notice of Claim to notify the Indemnified Party that the Indemnifying Party disputes such claim. If the Indemnifying Party does not notify the Indemnified Party of such dispute within such thirty (30) calendar days, then the amount of such claim shall be deemed, conclusively, a liability of the Indemnifying Party hereunder. If the Indemnifying Party does notify the Indemnified Party

of such dispute within such thirty (30) calendar days, then the Indemnified Party shall have thirty (30) calendar days to respond in a written statement to the objection of the Indemnifying Party. If after such thirty (30) calendar day period there remains a dispute as to any such claim, then the Indemnified Party may pursue any and all other remedies available to it hereunder.

#### 6.4 Limitations on Indemnification.

(a) Notwithstanding the foregoing, none of Seller, Owner or Buyer shall be required to indemnify Buyer Indemnitees or Seller Indemnitees, as the case may be, in respect of any Losses suffered by Buyer Indemnitees or Seller Indemnitees, as the case may be, solely as a result of any facts or circumstances which constitute a breach of any representation or warranty listed in Article II, Article III or Article IV (other than breaches of any Material Representation), unless the aggregate amount of all such Losses suffered by Buyer Indemnitees or Seller Indemnitees, as the case may be, exceeds an amount equal to the sum of \$25,000 (the “Basket”), in which case such Party(ies) shall be liable for all Losses, except for and excluding the Basket.

(b) In no event shall Seller or Owner be required to make indemnification payments hereunder for Losses solely as a result of any facts or circumstances which constitute a breach of any representation or warranty listed in Article II or Article III (other than breaches of any Material Representation), in excess of an aggregate amount (including any amounts distributed to Buyer from the Escrow Account) equal to \$300,000, and in the case of Material Representations, in excess of the Final Purchase Price.

(c) In no event shall Buyer be required to make indemnification payments hereunder for Losses solely as a result of any facts or circumstances which constitute a breach of any representation or warranty listed in Article IV (other than breaches of any Material Representation), in excess of an aggregate amount equal \$300,000.

(d) The amount of any Losses subject to indemnification under this Article VI shall be reduced by the amount, if any, of any insurance or third party recovery or benefit (less the Buyer Indemnitees’ or Seller Indemnitees’, as applicable, reasonable costs of receiving such recovery or benefit) that the Buyer Indemnitees’ or Seller Indemnitees’, as applicable, actually recovered with respect to the event that directly or indirectly caused such Losses; provided, that the amount deemed to be actually recovered under insurance policies shall be net of (i) the deductible for such policies, (ii) any increase in the premium for such policies arising from such Losses, and (iii) any proceeds actually paid to Seller pursuant to Section 5.6.

(e) The Buyer Indemnitees’ or Seller Indemnitees’, as applicable, shall take commercially reasonable actions to mitigate Losses, and shall reasonably consult and cooperate with each Indemnifying Party with a view toward mitigating Losses, in connection with any indemnification claim under this Article VI.

(f) After any indemnification payment is made pursuant to this Article VI, the Indemnifying Party shall, to the extent of such payment, be subrogated to all rights (if any) of the Indemnified Party, against any third party (other than any Material Customer or Workplace Options, Inc.) in connection with the Losses to which such payment relates. Without limiting the

generality of the preceding sentence, any Indemnified Party receiving an indemnification payment pursuant to the preceding sentence shall execute, upon the written request of the Indemnifying Parties, any instrument reasonably necessary to evidence such subrogation rights.

(g) Any provision of this Agreement to the contrary notwithstanding, no Buyer Indemnitee shall be deemed to have suffered any Losses to the extent that such Losses were reflected in the calculation of Closing Net Working Capital or otherwise taken into account in the Adjustment Amount.

#### 6.5 Manner of Payment; Recourse.

(a) Any indemnification payments shall be made together with interest accruing thereon from the date such payment is finally determined to be payable to the date of payment at the Applicable Rate.

(b) Any indemnification owing to Buyer Indemnitees pursuant to this Article VI shall be effected by (i) disbursement from the Escrow Amount, within fifteen (15) days after the final determination thereof, in accordance with the terms of the Escrow Agreement, and (ii) thereafter, subject to the limitations in Section 6.4, wire transfer of immediately available funds from Seller to an account designated in writing by Buyer Indemnitees within fifteen (15) days after the final determination thereof.

(c) Twelve (12) months from the date hereof (the "Escrow Release Date"), pursuant to the terms of the Escrow Agreement, the Escrow Agent shall immediately release the Escrow Amount less the sum of (i) any amounts paid from the Escrow Amount in satisfaction of indemnification claims pursuant to Section 6.5(b)(i) hereof plus (ii) any amounts (the "Unresolved Claim Amount") claimed pursuant to any notice stating the nature and basis of such claim delivered by the Buyer Indemnitees prior to the Escrow Release Date but for which final determination or payment has not yet been made (the "Unresolved Claims"). Upon final determination of any amounts owed pursuant to subclause (ii) of the previous sentence, the Escrow Agent shall (i) disburse any amounts required to be paid with respect to the Unresolved Claims to the Buyer Indemnitees and (ii) release to Seller or Owner the difference, if any, of the Unresolved Claim Amount minus any amounts required to be paid with respect to the Unresolved Claims to the Buyer Indemnitees.

(d) Any indemnification owing to the Seller Indemnitees pursuant to this Article VI shall be effected by wire transfer of immediately available funds from Buyer to an account designated in writing by Seller within fifteen (15) days after the final determination thereof.

6.6 Final Purchase Adjustment. All indemnification payments under this Article VI shall be deemed adjustments to the Final Purchase Price.

6.7 Exclusive Remedies. The indemnification provisions set forth in this Article VI are the sole and exclusive remedy for monetary damages for Seller, Owner or Buyer for breach

of any representation, warranty, covenant, agreement or other provision contained in or arising out of this Agreement, except for fraud or willful misconduct.

## **ARTICLE VII**

### **Definitions**

For the purposes hereof, the following terms have the meanings set forth below:

“Accounting Firm” has the meaning set forth in Section 1.6(e).

“Accounting Principles” means the practices, principles and methodologies used by the Target Companies in the preparation of the Financial Statements, as set forth on Schedule 7.1.

“Actual Value” has the meaning set forth in Section 1.6(f)(iii).

“Adjustment Amount” has the meaning set forth in Section 1.6(b).

“Adjustment Statement” has the meaning set forth in Section 1.6(c).

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For purposes of the immediately preceding sentence, the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“Affiliated Group” means any affiliated group as defined in Code §1504 that has filed a consolidated return for U.S. federal income tax purposes (or any consolidated, combined or unitary group under state, local or foreign Law) for a period during which any Target Company was a member.

“Agreement” has the meaning set forth in the preamble.

“Applicable Rate” means the rate of interest from time to time announced publicly by JPMorgan Chase Bank, N.A., as its prime rate.

“Balance Sheet” has the meaning set forth in Section 2.5.

“Base Amount” shall mean \$2,650,000.

“Basket” has the meaning set forth in Section 6.4(a).

“Business” means the business of the Target Companies as of the date hereof providing employee assistance programs (EAP), behavioral health programs, leadership coaching and staff development and training programs, disaster and emergency response

programs, health and wellness programs, workplace culture assessment and improvement programs, wellness coaching programs, and other consulting services specifically related thereto, to employers and organizations of all sizes, healthcare organizations with Medicare Advantage wraparound services as well as college/universities nationwide including single campuses, regional systems and national systems.

“Business Day” means a day, other than a Saturday or Sunday, on which commercial banks in New York, New York are open for the general transaction of business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Indemnitees” has the meaning set forth in Section 6.2(a).

“Buyer Releasees” has the meaning set forth in Section 5.5.

“Cash” means actual cash on hand held without limitation or restriction of any kind, net of any overdrafts and as adjusted for any customer deposits in transit, any outstanding checks written by the Target Companies and any other proper reconciling items.

“Cash Consideration” means an amount of cash equal to the Estimated Purchase Price minus the Escrow Amount.

“Closing” has the meaning set forth in Section 1.3.

“Closing Cash” means all Cash of the Target Companies as of immediately prior to the Closing, which can be a negative number.

“Closing Date” has the meaning set forth in Section 1.3.

“Closing Net Working Capital” means the Net Working Capital as of immediately prior to the Closing.

“COBRA” has the meaning set forth in Section 2.18(c).

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Stock” means the Common Stock of the People Resources, par value of \$1.00 per share.

“Companies” has the meaning set forth in the preamble.

“Company Expenses” means (i) all payments, fees, expenses, costs, charges, commissions and other Liabilities (including sale, change of control, retention or transition bonuses or other payments to employees of any Target Company triggered, in whole or in part, as a result of the Contemplated Transactions) incurred or otherwise payable by any Target Company at or prior to the Closing in each case in connection with this Agreement and the consummation of the Contemplated Transactions, and (ii) all payments to the brokers,



investment bankers, financial advisors, accountants, counsel (including Greensfelder, Hemker & Gale, P.C.) or any other representative of any Target Company, Seller, Owner or their respective Affiliates, or otherwise in connection with the process by which any Target Company, Seller, Owner or their respective Affiliates solicited and negotiated acquisition proposals from third parties prior to the execution and delivery of this Agreement, in each case to the extent not reflected in the calculation of Closing Net Working Capital or otherwise taken into account in the Adjustment Amount.

“Company Intellectual Property Rights” means all of the Intellectual Property Rights owned, used or held for use by any Target Company.

II. “Company Schedules” has the meaning assigned to it in the preamble to Article

“Computer Systems” has the meaning set forth in Section 2.16(d).

“Confidential Information” has the meaning set forth in Section 5.4(c).

“Consents” means all permits, authorizations, notices, consents and approvals required to be obtained by, or sent by, any Target Company to consummate the Contemplated Transactions, including those permits, authorizations, notices, consents and approvals required to be obtained from, or sent to, any Governmental Entity.

“Consulting Agreement” has the meaning set forth in Section 1.4(a)(v).

“Contemplated Transactions” means all of the transactions contemplated by this Agreement, including:

(a) the sale of the Target Interests by Seller to Buyer; and

(b) the performance by the Parties of their respective covenants and obligations under this Agreement.

“Contract” means, with respect to any Person, any contract, license, sublicense, franchise, permit, mortgage, purchase order, indenture, loan agreement, guaranty, lease, sublease, agreement, obligation, instrument or other arrangement or any commitment to enter into any of the foregoing (in each case, whether written or oral) to which such Person is a party or by which any of the properties or assets of such Person are bound or subject.

“Employee Benefit Plan” and “Employee Benefit Plans” have the meaning set forth in Section 2.18(a).

“Environmental Laws” means, whenever in effect, all Laws and Contractual obligations concerning public health and safety, worker health and safety, or pollution or protection of the environment.

“Equity Interests” means issued and outstanding capital stock, partnership interests, limited liability company interests or other indicia of equity ownership (including any profits interest).

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” has the meaning set forth in Section 2.18(c).

“Escrow Account” has the meaning set forth in Section 1.5(a)(ii).

“Escrow Agent” shall mean JPMorgan Chase Bank, NA.

“Escrow Agreement” has the meaning set forth in Section 1.4(a)(iv).

“Escrow Amount” shall mean \$300,000.

“Escrow Release Date” has the meaning set forth in Section 6.5(c).

“Estimated Closing Cash” has the meaning set forth in Section 1.2(a).

“Estimated Closing Net Working Capital” has the meaning set forth in Section 1.2(a).

“Estimated Purchase Price” has the meaning set forth in Section 1.2(b).

“Family” shall mean, with respect to any natural Person, such Person’s spouse, siblings and descendants (whether natural or adopted) and any trust or other entity solely for the benefit of such Person and/or such Person’s spouse, their respective ancestors and/or descendants.

“Final Determination” has the meaning set forth in Section 5.7.

“Final Purchase Price” has the meaning set forth in Section 1.7.

“Financial Statements” has the meaning set forth in Section 2.5.

“Foregone Tax Benefits” has the meaning set forth in the definition of Pre-Closing Taxes.

“Governing Documents” means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the “Governing Documents” of a corporation would be its articles of incorporation (or certificate of incorporation, as applicable) and bylaws, the “Governing Documents” of a limited partnership would be its certificate of formation and limited partnership agreement and the “Governing Documents” of a limited liability company would be its certificate of formation and operating agreement.

“Governmental Entity” means the United States of America or any other nation, any state or other political subdivision thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of government, including any court, in each case having jurisdiction over any Target Company.

“Governmental Proceedings” has the meaning set forth in Section 5.7.

“Health Care Laws” means any and all applicable Laws of any Governmental Entity pertaining to health regulatory matters applicable to the operations of the Target Companies, including, without limitation, (a) fraud and abuse (including without limitation the following statutes, as amended, modified or supplemented from time to time and any successor statutes thereto and regulations promulgated from time to time thereunder: the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)); the civil False Claims Act (31 U.S.C. § 3729 et seq.); Sections 1320a-7, 1320a-7a and 1320a-7b of Title 42 of the United States Code; the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. No. 108-173)); (b) Medicare, Medicaid, TRICARE or other governmental health care or payment program; (c) quality, safety certification and accreditation standards and requirements; (d) the billing, coding or submission of claims or collection of accounts receivable or refund of overpayments; (e) all Information Laws; and (f) Laws regulating data mining.

“High Value” has the meaning set forth in Section 1.6(f)(ii).

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996 as amended by the HITECH Act, and as otherwise may be amended from time to time, including the Privacy Standards (45 C.F.R. Parts 160 and 164), the Electronic Transactions Standards (45 C.F.R. Parts 160 and 162), and the Security Standards (45 C.F.R. Parts 160, 162 and 164) promulgated under the Administrative Simplifications subtitle of the Health Insurance Portability and Accountability Act of 1996, as amended by the HIPAA Omnibus Rule (78 Fed. Reg. 5566), issued on January 25, 2013, effective as of March 26, 2013.

“HITECH Act” means the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5 and its implementing regulations 42 C.F.R. §§ 412, 413, 422 and 495, as amended by the HIPAA Omnibus Rule (78 Fed. Reg. 5566), issued on January 25, 2013, effective as of March 26, 2013.

“Improvements” has the meaning set forth in Section 2.11(c).

“Indemnified Loss” has the meaning set forth in Section 6.3(a).

“Indemnified Party” has the meaning set forth in Section 6.3(a).

“Indemnifying Party” has the meaning set forth in Section 6.3(a).

“Indebtedness” means at a particular time, without duplication, (i) any indebtedness for borrowed money or issued in substitution for or exchange of indebtedness for borrowed money of a Person, (ii) any indebtedness evidenced by any note, bond, debenture or

other debt security of a Person, (iii) any indebtedness for the deferred purchase price of property with respect to which a Person is liable, contingently or otherwise, as obligor or otherwise, (iv) any Liabilities under leases that are classified as capitalized lease obligations in accordance with the Accounting Principles, (v) any indebtedness secured by a Lien on the assets of a Person, (vi) any Liability (including increase in obligations) of a Person arising under any Contract or arrangement to which such Person is party arising in whole or in part from the Contemplated Transactions, (vii) any Liability, whether contingent or otherwise owed by a Person to any other Person under any noncompetition, consulting, employment or similar arrangement, (viii) any Liability, whether contingent or otherwise owed by a Person to any other Person, for any profit participation claim, and (ix) obligations under any performance or surety bond or letter of credit, but only to the extent drawn or called prior to the Closing Date, in each case for items (i) through (viii) foregoing, with respect to which a Person is liable, contingently or otherwise, as obligor, guarantor or otherwise, or with respect to which Liabilities a Person assures a creditor against loss, and including interest, fees, prepayment obligations, prepayment penalties or provisions requiring payment in excess of 100% of principal and accrued interest if paid on the Closing Date; *provided* that “Indebtedness” shall not include account payables and payments to employees, independent counselors, consultants and professionals incurred by the Target Companies in the Ordinary Course, or any amount that is reflected in the calculation of Closing Net Working Capital or otherwise taken into account in the Adjustment Amount.

“Information” has the meaning set forth in Section 3.7(a).

“Information Laws” means all applicable Laws concerning the privacy and/or security of personal data of or concerning an individual, including, where applicable, HIPAA, the HITECH Act, state data breach notification Laws, state social security number protection Laws, the FTC Act, the Gramm-Leach-Bliley Act, and state consumer protection Laws.

“Information Systems” means “information systems” as defined under HIPAA.

“Insurance Claims” has the meaning set forth in Section 5.6.

“Intellectual Property Rights” means any and all of the following in any jurisdiction throughout the world, presently or hereafter existing, whether arising by operation of law, contract, license or otherwise: (i) patents, industrial design registrations, patent applications, patent and industrial design disclosures and inventions (whether or not patentable or reduced to practice), and all improvements thereto, as well as any reissues, continuations, continuations-in-part, divisions, revisions, extensions or reexaminations thereof, (ii) trademarks, service marks, designs, trade dress, trade names, slogans, logos, internet domain names, corporate names, and all other indicia of origin, and registrations and applications for registration thereof, together with all of the goodwill associated with any of the foregoing (“Marks”), (iii) all copyrights and other works of authorship (whether or not copyrightable), moral rights and registrations and applications for registration thereof, (iv) mask works and registrations and applications for registration thereof, (v) computer software (whether in object code or source code form), data, databases, tools, firmware, and related documentation, (vi) trade secrets and other confidential or proprietary information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice),

know-how, processes, techniques, technologies, methods, algorithms, industrial models, architectures, layouts, research and development information, drawings, specifications, designs, molds, plans, proposals, technical data, financial and marketing plans, pricing and cost information and customer and supplier lists and information), and (vii) all copies and tangible embodiments or descriptions of any of the foregoing (in whatever form or medium).

“Interim Balance Sheet” has the meaning set forth in Section 2.5.

“Interim Financials” has the meaning set forth in Section 2.5.

“Investment” as applied to any Person means (i) any direct or indirect purchase or other acquisition by such Person of any notes, obligations, instruments, Equity Interest, securities or other ownership interest (including partnership interests and joint venture interests) of any other Person and (ii) any capital contribution by such Person to any other Person.

“Known” or “Knowledge” shall mean, with respect to any Person, the actual knowledge or awareness of such Person. As it relates to the Companies, “Knowledge” shall mean the actual knowledge or awareness of Owner, Caroline Mug, Brian Summers or Bree Urech-Boyle.

“Laws” means all statutes, laws, codes, ordinances, regulations, rules, orders, determinations, judgments, writs, injunctions, acts or decrees of any Governmental Entity, including common law.

“Leased Real Property” means all leasehold or subleasehold estates and other rights to use or occupy any land, building, structures improvements, or other interests in real property held by any Target Company.

“Leases” means all leases, subleases, licenses, concessions and other agreements (written or oral) pursuant to which any Target Company holds any Leased Real Property, including the right to all security deposits and other amounts and instruments deposited by or on behalf of any Target Company thereunder.

“Liability” means any liability, payment, debt, obligation, deficiency, Tax, penalty, assessment, fine, claim, cause of action or other loss, damage, fee, cost or expense of any kind or nature whatsoever, whether asserted or unasserted, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, and whether due or to become due and regardless of when asserted.

“Lien” or “Liens” means any mortgage, pledge, security interest, license, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof), any sale of receivables with recourse against any Target Company, any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute (other than to reflect ownership by a third party of property leased to any Target Company under a lease which is not in the nature of a conditional sale or title retention agreement), any subordination arrangement in favor of another Person, any encroachment, encumbrances or any other defect in title.

“Loss” or “Losses” have the meaning set forth in Section 6.2(a).

“Low Value” has the meaning set forth in Section 1.6(f)(i).

“Marks” has the meaning set forth in the definition of “Intellectual Property Rights”.

“Material Adverse Effect” means a material and adverse effect (whether in the short term or long term) upon the business, assets, Liabilities, value, cash flows, operations, condition (financial or otherwise), operating results, earnings, customer and supplier relations, employee and sales representative relations, applicable regulations, net worth or value of the Target Companies, taken as a whole; *provided, however*, that a Material Adverse Effect shall not include any event, circumstance, fact, change, development, condition or effect, directly or indirectly, arising out of, relating to or resulting from: (a) any changes, conditions or effects in the United States or foreign economies or securities or financial markets in general; (b) changes, conditions or effects that relate to the industries in which the Business or the Target Companies’ customers operate; or (c) any change, effect or circumstance resulting from an action required or permitted by this Agreement, except in the case of clauses (a) and (b), to the extent that any effect has had, or would reasonably be expected to have, a materially disproportionate effect on the business, financial condition or continuing results of operations of the Target Companies, relative to other substantially similar participants in the specific industry segments in which the Target Companies operate.

“Material Contracts” has the meaning set forth in Section 2.12(b).

“Material Counselor” has the meaning set forth in Section 2.20.

“Material Customers” has the meaning set forth in Section 2.20.

“Material Representations” has the meaning set forth in Section 6.1.

“MGR” means Medi Group Resources, LLC, a Missouri limited liability company and wholly-owned subsidiary of People Resources.

“Net Working Capital” means, with respect to the Target Companies, on a consolidated basis, the current assets of the Target Companies as of immediately prior to the Closing that are included in the line item categories of current assets specifically identified on Exhibit B, less the current liabilities of the Target Companies as of immediately prior to the Closing that are included in the line item categories of current liabilities specifically identified on Exhibit B, in each case, without duplication, and as determined (A) in accordance with and subject to the Accounting Principles and the rules, methods, policies, practices and procedures (with consistent classification, judgments, and estimation methodology), as were used by the Target Companies in preparing the Net Working Capital as of the periods set forth on Exhibit B, and (B) without giving effect to the Contemplated Transactions. Notwithstanding the foregoing, “Net Working Capital” shall not include any Closing Cash, Unpaid Company Expenses, Taxes or intercompany assets and liabilities payable or receivable by any Target Company, to the

extent such items have otherwise been taken into account in calculating the Estimated Purchase Price or Final Purchase Price.

“Non-Compete Period” has the meaning set forth in Section 5.4(a).

“Notice of Claim” has the meaning set forth in Section 6.3(a).

“Notice of Disagreement” has the meaning set forth in Section 1.6(c).

“Ordinary Course” means, with respect to any Person, an action taken by such Person will be deemed to have been taken in the “Ordinary Course” only if such action is consistent with the past practices of such Person (including with respect to quantity and frequency) and is taken in the ordinary course of the normal day-to-day operations of such Person.

“Owner” has the meaning set forth in the preamble

“Party” or “Parties” has the meaning set forth in the preamble.

“Permitted Liens” means (i) Liens for Taxes or assessments and similar charges, which either are (a) not delinquent or (b) being contested in good faith and by appropriate Proceedings, and adequate reserves, if required (as determined in accordance with the Accounting Principles), have been established on the Target Companies’ books with respect thereto, and (ii) with respect to Leased Real Property only, (a) Taxes which are a Lien and not yet due and payable, (b) zoning, building and other land use regulations imposed by governmental agencies having jurisdiction over the Leased Real Property which are not violated by the current use or occupancy of the Leased Real Property or the operation of the business of each Target Company and the Business thereon, and (c) covenants, conditions, restrictions, easements and other similar matters of record affecting title to the Leased Real Property which do not materially impair (x) the value or marketability of the parcel of Leased Real Property to which they pertain or (y) the occupancy or use of the Leased Real Property by any Target Company for the purposes for which it is currently used in connection with such Target Company’s business.

“Person” means an individual, a partnership, a corporation, a limited liability company, a limited partnership, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a Governmental Entity or any department, agency or political subdivision thereof.

“Personal Information” has the meaning set forth in Section 2.14(h).

“Pre-Closing Taxes” means (i) all Taxes (or the non-payment thereof) of any Target Company or for which any Target Company may become liable for all taxable periods ending on or before the Closing Date and for any Straddle Period, all Taxes for such period up to and including the Closing Date (collectively, the “Pre-Closing Tax Period”), and (ii) the present value of any Tax benefits foregone as a result of Buyer’s inability to make a valid Section 338(h)(10) Election with respect to any Target Company due to a breach of any representation,

warranty or covenant of Seller, Owner or any Target Company (such present value to be determined using (A) eight percent (8%) as a discount rate and (B) a forty percent (40%) blended federal and state tax rate and by assuming that Buyer and the Company would be able to use all depreciation and amortization deductions otherwise available to it as a result of the Section 338(h)(10) Election) (collectively, the “Foregone Tax Benefits”); *provided, however*, that in no event will the Foregone Tax Benefits exceed \$400,000.00, which shall be the maximum amount included in the definition of Pre-Closing Taxes with respect to the Foregone Tax Benefits. In the case of any Straddle Period, the amount of any Taxes based on or measured by income or receipts of the Target Companies for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which any Target Company holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes of any Target Company that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the taxable period ending on the Closing Date, and the denominator of which is the number of days in such period.

“Proceeding” means any action, arbitration, claim, dispute, hearing, investigation, litigation, order or suit (whether civil, criminal or administrative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

“Related Agreements” means all agreements, documents or certificates to be executed and delivered by a Party in connection with the Contemplated Transactions.

“Section 338(h)(10) Elections” has the meaning set forth in Section 5.2.

“Securities Act” means the Securities Act of 1933, as amended.

“Seller Indemnitees” has the meaning set forth in Section 6.2(b).

“Seller” has the meaning set forth in the preamble.

“Straddle Period” means any taxable period that includes but does not end on the Closing Date.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, limited partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, limited partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof.

“Target Companies” means, collectively, People Resources and SRS.



“Target Interests” has the meaning set forth in the recitals.

“Target Net Working Capital” shall mean an amount equal to *negative* \$240,000.

“Tax” or “Taxes” means all (i) United States federal, state or local or non-United States taxes, assessments, charges, duties, levies or other similar governmental charges of any nature, including all income, franchise, profits, capital gains, capital stock, transfer, sales, use, occupation, property, excise, severance, windfall profits, stamp, stamp duty reserve, license, payroll, withholding, ad valorem, value added, alternative minimum, environmental, customs, social security (or similar), unemployment, sick pay, disability, registration and other taxes, assessments, charges, duties, fees, levies or other similar governmental charges of any kind whatsoever, whether disputed or not, together with all estimated taxes, deficiency assessments, additions to tax, penalties and interest; (ii) any Liability for the payment of any amount of a type described in clause (i) arising as a result of being or having been a member of any consolidated, combined, unitary or other group or being or having been included or required to be included in any Tax Return related thereto; and (iii) any Liability for the payment of any amount of a type described in clause (i) or clause (ii) as a result of any obligation to indemnify or otherwise assume or succeed to the Liability of any other Person.

“Tax Return” means any return, information report or filing with respect to Taxes, including any schedules attached thereto and including any amendment thereof.

“Third Party Claim” has the meaning set forth in Section 6.3(a).

“Threatened” means, in the case of a Proceeding, such Proceeding will be deemed to have been “Threatened” if any written demand or statement has been made or any written notice has been given.

“Treasury Regulation” means the United States Treasury Regulations promulgated under the Code, and any reference to any particular Treasury Regulation section shall be interpreted to include any final or temporary revision of or successor to that section regardless of how numbered or classified.

“Unpaid Company Expenses” means Liabilities of any Target Company for Company Expenses to the extent not satisfied on or prior to the Closing Date.

“Unresolved Claim Amount” shall have the meaning set forth in Section 6.5(c).

“Unresolved Claims” shall have the meaning set forth in Section 6.5(c).

## **ARTICLE VIII Miscellaneous**

8.1 Consent to Amendments; Waivers. This Agreement may be amended, or any provision of this Agreement may be waived upon the approval, in a writing, executed by the Parties. No course of dealing between or among the Parties shall be deemed effective to modify,

amend or discharge any part of this Agreement or any rights or obligations of any such Party or such holder under or by reason of this Agreement.

8.2 Successors and Assigns. This Agreement and all covenants and agreements contained herein and rights, interests or obligations hereunder, by or on behalf of any of the Parties, shall bind and inure to the benefit of the respective successors and permitted assigns of the Parties whether so expressed or not, except that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by Seller or Owner without the prior written consent of Buyer, and neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by Buyer without the prior written consent of Seller; *provided*, that Buyer may assign this Agreement and its rights and obligations hereunder without such prior written consent to any of its Affiliates, any Person which provides financing to any Target Company, Buyer or any of their respective Affiliates, and any subsequent purchaser of Buyer, any Target Company or any of their respective Affiliates (whether by merger, consolidation, sale of stock or other Equity Interest, sale of assets or otherwise).

8.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held to be prohibited by, illegal or unenforceable under applicable Law or rule in any respect by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition, illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

8.4 Counterparts. This Agreement may be executed in counterparts (including by means of telecopied signature pages), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same agreement.

8.5 Descriptive Headings; Interpretation. The headings and captions used in this Agreement and the table of contents to this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Any capitalized terms used in any Schedule or Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement. The use of the word “including” herein shall mean “including without limitation.”

8.6 Entire Agreement. This Agreement and the agreements and documents referred to herein, including, without limitation, the Company Schedules and any Related Agreement, contain the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to such subject matter in any way.

8.7 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing herein expressed or implied shall

give or be construed to give any Person, other than the Parties and such permitted successors and assigns, any legal or equitable rights hereunder.

8.8 Schedules and Exhibits. All Schedules and Exhibits attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

8.9 Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the Schedules and Exhibits hereto shall be governed by, and construed in accordance with, the Laws of the State of Delaware without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the Laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal Law of the State of Delaware shall control the interpretation and construction of this Agreement (and all Schedules and Exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis, the substantive Law of some other jurisdiction would ordinarily apply.

8.10 Waiver of Jury Trial. Each of the Parties waives any right it may have to trial by jury in respect of any litigation based on, arising out of, under or in connection with this Agreement or any course of conduct, course of dealing, verbal or written statement or action of any Party.

8.11 Jurisdiction. Each of the Parties submits to the jurisdiction of any state or federal court sitting in Cook County in the State of Illinois in any Proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the Proceeding may be heard and determined in any such court and hereby expressly submits to the personal jurisdiction and venue of such court for the purposes hereof and expressly waives any claim of improper venue and any claim that such courts are an inconvenient forum. Each of the Parties hereby irrevocably consent to the service of process of any of the aforementioned courts in any such Proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to its address set forth in Section 8.12, such service to become effective ten (10) days after such mailing.

8.12 Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient or when sent by facsimile (but not to Owner or Seller) or e-mail followed by delivery by reputable overnight courier service, or one day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to Buyer, Owner and Seller at the addresses indicated below or to such other address or to the attention of such other Person as the recipient Party has specified by prior written notice to the sending Party. All notices, demands and other communications hereunder may be given by any other means (including telecopy or electronic mail), but shall not be deemed to have been duly given unless and until it is actually received by the intended recipient.

Buyer:

E4 Health, Inc.  
c/o Kinderhook Industries, LLC  
521 Fifth Avenue, 34<sup>th</sup> Floor  
New York, NY 10175  
Facsimile No.: (212) 201-6790  
Attn: Chris Michalik; Sean Dempsey  
Email: cmichalik@kinderhookindustries.com;  
sdempsey@kinderhookindustries.com

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

Kirkland & Ellis LLP  
601 Lexington Avenue  
New York, NY 10022  
Attn: Elazar Guttman  
Facsimile No.: (212) 446-6460  
Email: elazar.guttman@kirkland.com

Seller and/or Owner:

Janet H. Mug  
12 Geyer Wood Lane  
Saint Louis, Missouri 63131  
Facsimile No.: N/A  
Email: janetmug@gmail.com

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

Greensfelder, Hemker & Gale, P.C.  
10 South Broadway, Suite 2000  
Saint Louis, Missouri 63102  
Attention: Thomas G. Lewin  
Facsimile No.: (314) 241-3237  
Email: tgl@greensfelder.com

8.13 No Strict Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

8.14 Specific Performance. Seller and Owner each acknowledge and agree that the Companies, their business and operations are unique, and recognizes and affirms that in the event of a breach of this Agreement by Seller or Owner, monetary damages may be inadequate and Buyer may have no adequate remedy at law. Accordingly, in the event of any such breach, Buyer and/or its successors or assigns may, in addition to any other rights and remedies existing

in their favor, enforce their rights and Seller's and Owner's obligations hereunder by an action or actions for specific performance, injunctive and/or other relief, without any requirement of proving actual damages or posting any bond or other security.

\* \* \* \* \*

THIS AGREEMENT CONTAINS BINDING ARBITRATION PROVISIONS WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the Parties have executed this Purchase Agreement on the date first written above.

E4 HEALTH, INC.

By: William H. Mulcahy  
Name: William H. Mulcahy  
Title: Chief Executive Officer

PEOPLE RESOURCES, INC.

By: \_\_\_\_\_  
Janet H. Mug, President

STUDENT RESOURCE SERVICES, LLC

By: \_\_\_\_\_  
Janet H. Mug, Manager

THE JANET H. MUG REVOCABLE TRUST

By: \_\_\_\_\_  
Janet H. Mug, Trustee

JANET H. MUG

\_\_\_\_\_  
Janet H. Mug, Individually

THIS AGREEMENT CONTAINS BINDING ARBITRATION PROVISIONS WHICH MAY BE ENFORCED BY THE PARTIES.

IN WITNESS WHEREOF, the Parties have executed this Purchase Agreement on the date first written above.

E4 HEALTH, INC.

By: \_\_\_\_\_

Name: William H. Mulcahy

Title: Chief Executive Officer

PEOPLE RESOURCES, INC.

By: \_\_\_\_\_

*Janet H. Mug*  
Janet H. Mug, President

STUDENT RESOURCE SERVICES, LLC

By: \_\_\_\_\_

*Janet H. Mug*  
Janet H. Mug, Manager

THE JANET H. MUG REVOCABLE TRUST

By: \_\_\_\_\_

*Janet H. Mug*  
Janet H. Mug, Trustee

JANET H. MUG

*Janet H. Mug*  
Janet H. Mug, Individually