

NOTE PURCHASE AGREEMENT

This Note Purchase Agreement, dated as of _____ ("Agreement"), is entered into by and between _____, a _____ [Corporation, limited liability company, or other business entity], with an address at _____ ("Company") and the _____, a non-profit corporation organized under the laws of India with an address of _____ ("Purchaser"), (collectively referred to as the "Parties").

RECITAL

The Company is obtaining financing from the Purchaser.

AGREEMENT

The parties hereby agree as follows:

1. The Note.

(a) Issuance of the Note. In reliance upon the representations, warranties and covenants of the Parties set forth herein, at a closing ("Closing") to be held simultaneously with the execution of this Agreement, the Company will issue, sell and deliver to the Purchaser, and the Purchaser will purchase from the Company, a promissory note in the aggregate principal amount of [] (the "Note"). The purchase price for the Note shall be the principal amount thereof, payable in [] advances as set forth in Appendix A hereto. Capitalized terms used in this Agreement but not otherwise defined herein shall have the meanings set forth in the Note.

(b) Terms of the Note. The terms and conditions of the Note are set forth in the form of Note attached as Appendix B hereto. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Note.

(c) Delivery. The Company will deliver the Note to Purchaser at the Closing, against receipt by Company of the purchase price for the Note on the advance schedule set forth in Appendix A.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to Purchaser as follows:

(a) Organization and Standing: Articles and Bylaws. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of _____ and has all requisite corporate power and authority to carry on its business as now conducted and proposed to be conducted.

(b) Corporate Power; Authorization. The Company has all requisite legal and corporate power to enter into, execute and deliver this Agreement and the Note. All corporate and legal action on the part of the Company, its officers, directors and shareholders necessary for the execution and delivery of this Agreement and the Note, the sale and issuance of the Note and the performance of the Company's obligations hereunder, and under the Note, have been taken. This Agreement is, and upon issuance of the Note will be, valid and binding obligations of the Company, enforceable in accordance with their terms, except as

the same may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors' rights.

(c) Compliance with Other Instruments, None Burdensome, Etc. The execution, delivery and performance of and compliance with this Agreement and the Note will not result in nor constitute any breach, default or violation of (i) any material agreement, contract, lease, license, instrument or commitment (oral or written) to which the Company is a party or (ii) any law, rule, regulation, statute or order applicable to the Company, any of its subsidiaries or their respective properties, nor result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company or its subsidiaries. No person has any right to participate in the sale by the Company of the Note (other than rights that have been fully satisfied or waived).

(d) Required Consents. No consent, approval, order or authorization of, or designation, registration, declaration or filing with, any federal, state, local or provincial or other governmental authority on the part of the Company is required in connection with the valid execution and delivery of this Agreement and the Note, other than, if required, filings or qualifications under the _____ Uniform Securities Act, as amended (the "_____ Uniform Securities Act"), or other applicable blue sky laws, which filings or qualifications, if required, will be timely filed or obtained by the Company.

(e) Offering. In reliance on the representations and warranties of the Purchaser in Section 3 hereof, the Note will be issued in compliance with all applicable federal and state securities laws.

3. Representations and Warranties by the Purchaser. The Purchaser represents and warrants to the Company as of the time of issuance of the Note as follows: (a) Investment Intent; Authority. This Agreement is made with the Purchaser in reliance upon such Purchaser's representation to the Company, evidenced by Purchaser's execution of this Agreement, that Purchaser is acquiring the Note for investment for such Purchaser's own account, not as nominee or agent, for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act") or the _____ Act. Purchaser has the full right, power, authority and capacity to enter into and perform this Agreement and the Agreement will constitute a valid and binding obligation upon Purchaser, except as the same may be limited by bankruptcy, insolvency, moratorium, and other laws of general application affecting the enforcement of creditors' rights.

(b) Note Not Registered. Purchaser understands and acknowledges that the offering of the Note will not be registered under the Securities Act or qualified under the _____ Uniform Securities Act on the grounds that the offering and sale of the Note contemplated by this Agreement are exempt from registration under the Securities Act and exempt from qualification under the _____ Act, and that the Company's reliance upon such exemptions is predicated upon such Purchaser's representations set forth in this Agreement. The Purchaser acknowledges and understands that resale of a Note may be restricted indefinitely unless the Note is subsequently registered under the Securities Act and qualified under the _____ Act or an exemption from such registration and such qualification is available.

(c) No Transfer. Purchaser covenants that in no event will it dispose of any of the Note other than in conjunction with an effective registration statement under the Securities Act or

pursuant to an exemption therefrom, or in compliance with Rule 144 promulgated under the Securities Act, or to an entity affiliated with Purchaser and other than in compliance with the applicable securities regulations laws of any state.

(d) Knowledge and Experience. Purchaser (i) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of Purchaser's prospective investment in the Note; (ii) has the ability to bear the economic risks of Purchaser's prospective investment; (iii) has been furnished with and has had access to such information as Purchaser has considered necessary to make a determination to purchase the Note together with such additional information as is necessary to verify the accuracy of the information supplied; (iv) has had all questions that have been asked by Purchaser satisfactorily answered by the Company; and (v) has not been offered the Note by any form of advertisement, article, notice or other communication published in any newspaper, magazine, or similar media or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any such media.

(e) Accredited Investor. Purchaser is an accredited investor as that term is defined in Regulation D promulgated by the Securities and Exchange Commission under the Securities Act.

4. Covenants and Agreements of the Company.

[Note – Section 4 (a) may not apply to certain companies (e.g. public company)] (a) Observation Rights. Until the outstanding principal amounts due under the Note are paid in full, the Purchaser shall have the right to appoint a designee (the "Observer"), mutually acceptable to the Company, who will be permitted to attend all meetings of the Company's board of directors and the Company's board of advisors, if one exists, and to receive copies of the formal meeting materials distributed to members of the board of directors or the board of advisors, as the case may be, and copies of minutes of all such meetings if the Observer does not attend such meeting or of written consents of actions of the board of directors; provided, however, that the Company shall have the right to exclude the Observer from portions of any such meetings in which attorney-client privileged matters, or matters as to which the Purchaser or its affiliates have a conflict of interest, are presented or discussed, and to remove or redact from materials provided to the Observer information that relates to any such matters. Upon the Company's request, the Observer shall execute a confidentiality agreement mutually acceptable to the Purchaser and the Company.

(b) Information Rights. The books and records of the Company pertaining to this Agreement shall at all times be maintained at the principal _____ office of the Company and shall be open to the reasonable inspection and examination of the Purchaser, or its duly authorized representatives during reasonable business hours for a period of five years following repayment of this Note. Until the outstanding principal amounts due under the Note are paid in full the Company will furnish, or will cause to be furnished, to Purchaser copies of the following financial statements, reports and information:

(i) within sixty (60) days after the close of each fiscal year an Annual Operating Plan for the next fiscal year with a report from management of the Company containing a description of projected business prospects (including capital expenditures) and management's discussion and analysis of projected financial condition and projected results of operations of the Company for such fiscal year; which report shall also specifically discuss, unless previously reported under 4.b.(iii) below, (A) whether the company has met the milestones set forth

on Appendix A, and (B) whether during the previous year the Company encountered any unexpected opportunities or any obstacles with respect to the completion of such milestones;

(ii) promptly when available and in any event within ninety (90) days after the close of each fiscal year, a consolidated balance sheet, statements of operations, retained

earnings, and cash flows for such fiscal year, which statements shall be delivered together with a report from management of the Company containing management's discussion and analysis of the financial condition and results of operation of the Company; (iii) upon completion of each of the milestones set forth on Appendix A, the management of the Company shall submit a report to the Purchaser containing a discussion and analysis of the financial condition and results of operations of the Company for the period beginning on the date of this Agreement and ending on the date described above in this item (iii), which report shall specifically discuss (A) whether the Company has met the milestones set forth on Appendix A, and (B) whether during such period the Company encountered any unexpected opportunities or any obstacles with respect to the completion of such milestones; and (iv) such other information with respect to the financial condition, business, property, assets, revenues and operations of the Company as Purchaser may from time to time reasonably request.

In addition, for a five-year period following repayment of the Note, the Company shall submit reports in response to Purchaser surveys or information requests. The Company shall cooperate with any Purchaser request for information or record review in connection with any audit.

(c) Legal Fees. The Company will pay for any of the Purchaser's legal fees associated with the preparation and negotiation of this Agreement, the Note, and any Subsequent Note that exceed Two Thousand Rupees (Rs.2,000).

(d) Use of Proceeds. The proceeds of the Note shall be used by the Company for [insert appropriate description - working capital, sales and marketing, research and development and capital expenditures] as described in the Company's Approved Spending Plan set forth in the Development Loan Application submitted to, and as accepted by, the Purchaser. The Company shall not use the proceeds of the Note for any purpose not described in Appendix A without the prior written approval of the Purchaser.

5. Miscellaneous.

(a) Waivers and Amendments. Any provision of this Agreement may be amended, waived or modified upon the written consent of the Company and the Purchaser.

(b) Governing Law. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the

laws, without regard to the conflicts of law provisions of the State of _____ or of any other state.

(c) Entire Agreement. This Agreement together with the Note constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

(d) Notices. Any notice, request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by registered or certified mail, postage prepaid, or by recognized overnight courier, addressed (i) if to Purchaser at the address first given above or at such other address as the Purchaser shall furnish the Company in writing, or (ii) if to Company, at the address first given above or at such other address as Company shall furnish to the Purchaser in writing.

(e) Validity. If from any circumstances whatsoever, fulfillment of any provision of this Agreement or of the Note, at the time performance of such provision is due, involves transcending the limit of validity presently prescribed by any applicable statute or any other applicable law, with regard to obligations of like character and amount, the obligation to be fulfilled must be reduced to the limit of such validity, so that in no event will any exaction be possible under this Agreement or under the Note that is in excess of the current limit of such validity, but such obligation must be fulfilled to the limit of such validity.

(f) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall be deemed to constitute one instrument.

[The Remainder of this Page is Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date and year first written above.

COMPANY:

_____, INC.,

a _____ Corporation

By:

Name: _____

Title: _____

PURCHASER:

By:

Name: Robert A. Martin

Title: President

Appendix A – Advances and Milestones

Appendix B - Subordinated Promissory Note

APPENDIX A

Advances, Milestones, and Approved Spending Plan

Advance 1: [date and amount]

Milestone 1: [date and description]

Advance 2: [date and amount]

Milestone 2: [date and description]

Advance 3: [date and amount]

[If Required]

Milestone 3: [date and description]

Advance 4: [date and amount]

Milestone 4: [date and description]

Advance 5: [date and amount]

Milestone [5]: Project Completion Date:

Advance [6]: [date and amount]

APPENDIX B

SUBORDINATED PROMISSORY NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IT MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED.

_____ INC.

SUBORDINATED PROMISSORY NOTE

_____,000 _____, 2010

STATE NAME,

FOR VALUE RECEIVED, _____ INC., a _____ Corporation ("Company"),

promises to pay to the _____Technology Institute (the "Holder"), or its registered assigns, the principal sum of _____ Thousand Rupees (Rs____,000), or such lesser amount as shall then equal the outstanding principal amount hereof, together with simple interest on the unpaid principal balance at a rate equal to five percent (5.0%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days, commencing on the repayment date established in Schedule 1 to this Note and continuing on the repayment schedule established therein. In the event of any default under this Note, the Holder may, in its discretion, determine that all amounts owed to the Holder shall bear interest at a rate equal to the interest rate otherwise applicable to this Note identified above plus four percent (4%) per annum. All unpaid principal, together with the balance of unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on

demand in one payment at any time after the earlier of (i) the "Maturity Date" or (ii) upon or after the occurrence of an Event of Default (as defined below).

This Note is issued pursuant to the Note Purchase A agreement of even date herewith (as amended, modified or supplemented, the "Note Purchase Agreement") between Company and the Holder named therein.

The following is a statement of the rights of the Holder and the conditions to which this Note is subject, and to which the Holder hereof, by the acceptance of this Note, agrees:

1. Definitions. As used in this Note, the following capitalized terms have the following meanings:

(a) "Maturity Date" is [five] years from the date of this Note.

(b) "Obligations" means all principal and accrued interest due hereunder.

(c) "Senior Indebtedness" means, unless expressly subordinated to or made on a parity with the amounts due under this Note, the principal of (and premium, if any), unpaid interest on and amounts reimbursed, fees, expenses, costs of enforcement and other amounts due in connection with, (i) indebtedness of Company, or with respect to which Company is a guarantor, to banks, commercial finance lenders, insurance companies, leasing or equipment financing institutions or other lending institutions regularly engaged in the business of lending money, which is for money borrowed, or purchase or leasing of equipment in the case of lease or other equipment financing, by Company, whether or not secured, and (ii) any debentures, note or other evidence of indebtedness issued in exchange for such Senior Indebtedness, or any indebtedness arising from the satisfaction of such Senior Indebtedness by a guarantor.

(d) "Transaction Documents" means this Note, any Subsequent Note and the Note Purchase Agreement.

2. Advances. Upon satisfaction of the conditions set forth in the Transaction Documents, the Company may obtain advances on this Note on the schedule set forth in Appendix A to the Note Purchase Agreement until the Project Completion Date set forth in such

Appendix A, after which date no further advances will be made under this Note except in the sole discretion of the Holder. At the time of each advance requested by the Company under this Note,

(i) the Borrower shall have complied with all of the terms, conditions, and requirements of the

Transaction Documents and the Company shall have completed all work required to satisfy the applicable Milestones described in Appendix A to the Note Purchase Agreement, and (ii) no default or event of default (even if any applicable cure period has not expired) shall be outstanding under any of the Transaction Documents and any other obligations of the Company or of any Guarantor to the Holder, regardless of the circumstances of prior advances by the Holder.

3. Events of Default. The occurrence of any of the following shall constitute an

"Event of Default" under this Note and the other Transaction Documents:

(a) Failure to Pay. Company shall fail to pay (i) when due any principal payment on the due date hereunder, (ii) any interest or other payment required under the terms of this Note or any other Transaction Document on the date due; or (iii) when due any payment obligation under any other Development Award or Development Loan agreement between the Company and Holder; or

(b) Breaches of Other Covenants. The Company shall fail to observe or perform any other covenant, obligation, condition or agreement contained in this Note or the other Transaction Documents, other than those specified in Section 3(a), and after the Company's receipt of written notice by the Holder, such failure shall continue for ten business (10) days, or if such failure is not curable within such ten (10)-day period, but is reasonably capable of cure within thirty (30) days, either (A) such failure shall continue for thirty (30) days or (B) Company shall not have commenced a cure in a manner reasonably satisfactory to Holder within the initial twenty (20)-day period; or

(c) Breaches of Other Company-Holder Agreements. The Company shall fail to observe or perform any covenant, obligation, condition or agreement contained in any other Development Award or Development Loan agreement between the Company and Holder, and Holder has issued a final default letter to the Company based on such failure; or

(d) Voluntary Bankruptcy or Insolvency Proceedings. The Company shall

(i) apply for or consent to the appointment of a receiver, trustee, or custodian of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of its or any of its creditors, (iii) be dissolved or liquidated in full or in part, (iv) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or

(v) take any action for the purpose of effecting any of the foregoing; or

(e) Involuntary Bankruptcy or Insolvency Proceedings. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of Company or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to Company or the debts thereof under any bankruptcy, insolvency or other similar law or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within thirty (30) days of commencement; or

(f) Failure to Pay Indebtedness. Other than the failure to pay or breaches of the Company's other agreements with Holder described in Section 3(a) and (c) above, the Company fails to pay at final stated maturity (giving effect to any applicable grace periods and any extensions thereof) any indebtedness for money borrowed of the Company, or any declared default of the Company under any such indebtedness that gives the holder thereof the right to accelerate such indebtedness (which such acceleration is not rescinded, annulled or otherwise cured within fourteen (14) days after receipt by the Company of notice of such acceleration), except to the extent such failure to pay or acceleration is the subject of a bona fide dispute that the Company is contesting in good faith and for which funds sufficient

to pay such indebtedness have been set aside and reserved for payment by the Company;
or

(g) Material Change in the Company's Business. There occurs a material change in the business, as presently conducted or proposed to be conducted, of the Company, as determined in good faith by the Holder; or

(h) Cessation of Company Operations. The Company's board of directors votes to cease substantially all of the Company's operations or wind up the Company's affairs; or

(i) Relocation or Licensing of Company Operations.

[Note – Section 3(i) must be tailored to Company Approved Spending Plan]
_____company version

[The Company (i) relocates its Company headquarters, all or a significant portion of its assets or business operations, or a majority of its employees to a location outside of the State of [NAME]; or (ii) without Holder's prior consent, relocates business and manufacturing operations supporting product development or process improvement activities resulting from the technology funded by the proceeds of this Note to a location outside of the State of [NAME]

; or (iii) without Holder's prior consent, licenses or otherwise authorizes a third party to carry out business and manufacturing operations, supporting product development, or process improvement activities resulting from the technology funded by the proceeds of this Note; or

Multistate company with _____branch

[The Company, without Holder's prior consent, fails to (i) maintain a place of business in the State of [NAME], or (ii) locate all business and manufacturing operations, supporting product development or process improvement activities resulting from the technology funded by the proceeds of this Note in the State of [NAME]; or (iii) licenses or otherwise authorizes a third party to carry out the business and manufacturing operations, supporting product development, or process improvement activities resulting from the technology funded by the proceeds of this Note;]or

(j) Use of Proceeds. The use of the proceeds of this Note by the Company for any purpose not described in the Company's Approved Spending Plan set forth in the

Appendix A to the Note Purchase Agreement, without the prior written approval of the Holder.

4. Rights of Holder Upon Default. Upon the occurrence or existence of any Event of Default (other than an Event of Default referred to in Paragraphs 3(d) and 3(e)) and at any time thereafter during the continuance of such Event of Default beyond any applicable cure periods, Holder may (i) cease advancing money or extending credit to or for the benefit of the Company under any agreement; and (ii) declare all outstanding Obligations payable by Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Transaction Documents to the contrary notwithstanding. Upon the occurrence or existence of any Event of Default described in Paragraphs 3(d) and 3(e), immediately and without notice, all outstanding Obligations payable by Company hereunder shall automatically become immediately due and payable, without presentment,

demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the other Transaction Documents to the contrary notwithstanding. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Holder may exercise any other right, power or remedy granted to it by the Transaction Documents, or otherwise permitted to it by law, either by suit in equity or by action at law, or both. In case of an Event of Default, the Company must pay to the Holder such further amount as is sufficient to cover the cost and expenses of collection, including, without limitation, all Holder's costs, fees, expenses or damages of any kind incurred by or imposed upon Holder in connection with or as a consequence of an Event of Default. Without limiting the foregoing, the Company shall pay all Holder's actual costs of collection and attempted collection, including, without limitation: (i) those expenses incurred or paid to protect, preserve, collect, lease, sell, repair, improve, advertise, locate, take possession of, liquidate or otherwise deal with any collateral under any security agreement; (ii) expenses of dealing with any person or entity in any bankruptcy proceeding; (iii) all out-of-pocket expenses incurred for the Holder's attorney and paralegal fees, disbursements, and costs, all at such rates and with respect to such services as the Holder in its sole discretion may elect to pay (as such rates may vary from time to time during the course of the performance of such services) including the costs of attorneys who are employees of the Holder; and (iv) the costs of appraisers, engineers, investment bankers, environmental consultants and other experts that may be retained by the Holder in connection with such collection efforts. Such costs will be added to the unpaid balance of the Note. No course of dealing and no delay on the part of the Holder in exercising any right will operate as a waiver of that right or otherwise prejudice the Holder's rights, powers or remedies. No right, power or remedy conferred by this Note upon the Holder is exclusive of any other right, power or remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

5. Subordination. The indebtedness evidenced by this Note is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all of Company's Senior Indebtedness.

(a) Event of Default; Insolvency Proceedings. If there shall occur and be continuing, any event of default with respect to any Senior Indebtedness, or any receivership, insolvency, assignment for the benefit of creditors, bankruptcy, reorganization, or arrangements with creditors (whether or not pursuant to bankruptcy or other insolvency laws), sale of all or substantially all of the assets, dissolution, liquidation, or any other marshaling of the assets and liabilities of Company, no amount shall be paid by Company in respect of the principal of, interest on or other amounts due with respect to this Note at the time outstanding, unless and until the principal of and interest on the Senior Indebtedness then outstanding shall be paid in full.

(b) Subrogation. Subject to the payment in full of all Senior Indebtedness, the holder of this Note shall be subrogated to the rights of the holder(s) of such Senior Indebtedness (to the extent of the payments or distributions made to the holder(s) of such Senior Indebtedness pursuant to the provisions of this Section 5) to receive payments and distributions of assets of Company applicable to the Senior Indebtedness. No such payments or distributions applicable to the Senior Indebtedness shall, as between Company and its creditors, other than the holders of Senior Indebtedness and the Holder, be deemed to be a payment by Company to or on account of this Note; and for purposes of such subrogation, nopayments or distributions to the holders of Senior Indebtedness to which the Holder would be entitled except for the provisions of this Section 5 shall, as between Company and its creditors, other

than the holders of Senior Indebtedness and the Holder, be deemed to be a payment by Company to or on account of the Senior Indebtedness.

(c) No Impairment. Nothing contained in this Section 5 shall impair, as between Company and Holder, the obligation of Company, subject to the terms and conditions hereof, to pay to the Holder the principal hereof and interest hereon as and when the same become due and payable, or shall prevent the Holder of this Note, upon default hereunder, from exercising all rights, powers and remedies otherwise provided herein or by applicable law.

(d) Reliance of Holders of Senior Indebtedness. Holder, by its acceptance hereof, shall be deemed to acknowledge and agree that the foregoing subordination provisions are, and are intended to be, an inducement to and a consideration of each holder of Senior Indebtedness, whether such Senior Indebtedness was created or acquired before or after the creation of the indebtedness evidenced by this Note, and each such holder of Senior Indebtedness shall be deemed conclusively to have relied on such subordination provisions in acquiring and holding, or in continuing to hold, such Senior Indebtedness.

6. Prepayment. The principal amount of this Note and the accrued interest thereon may be prepaid without the written consent of the Holder. Any such permitted prepayment will be applied first to the payment of expenses due under this Note, second to interest accrued on this Note, if any, and third, if the amount of prepayment exceeds the amount of all such expenses and accrued interest, to the payment of principal of this Note.

7. Successors and Assigns. Subject to the restrictions on transfer described in Sections 9 and 10 below, the rights and obligations of Company and the Holder of this Note shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

8. Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of Company and the Holder.

9. Transfer of this Note. This Note may be transferred to any affiliate of the Holder; provided however that this Note may not be transferred to any person in violation of any restrictive legend set forth hereon or to any person that is a competitor of the Company, as determined by the Company in its discretion reasonably exercised. Each new Note issued upon transfer of this Note shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with the Securities Act of [STATE THE LAW], unless in the opinion of counsel for Company such legend is not required in order to ensure compliance with the Securities Act. Company may issue stop transfer instructions to its transfer agent in connection with such restrictions. Subject to the foregoing, transfers of this Note shall be registered upon registration books maintained for such purpose by or on behalf of Company.

Prior to presentation of this Note for registration of transfer, Company shall treat the registered holder hereof as the owner and holder of this Note for the purpose of receiving all payments of principal and interest hereon and for all other purposes whatsoever, whether or not this Note shall be overdue and Company shall not be affected by notice to the contrary.

10. Assignment by Company. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned in whole or in part by Company without the prior written consent of the Holder.

11. Indemnification by Company. The Company agrees to indemnify, defend, save and hold harmless the Holder, its Officers, Directors, employees, agents and representatives, at the Company's cost and expense, from and against any and all actual and alleged demands, claims, lawsuits, obligations, liabilities, losses, fees, costs, expenses and damages, including without limitation those listed in Section 4, incurred or imposed upon the Holder in connection with or as a consequence of any claims (including but not limited to third party claims), suits, actions, demands, or judgments arising out of or resulting from: (i) any actions or omissions of the Company, its officers, directors, employees, representatives, independent contractors, subcontractors, licensees or consultants; or (ii) Company's performance or non-performance of its obligations under the Transaction Documents.

12. Notices. Any notice, request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or mailed by registered or certified mail, postage prepaid, or by recognized overnight courier at the respective addresses of the parties as set forth in the Note Purchase Agreement or on the register maintained by Company. Copies of all notices provided hereunder shall be also delivered to Holder's legal counsel at the address provided by Holder, and any such copy shall not constitute notice hereunder. Either party hereto may by notice so given change its address for future notice hereunder. Notice shall conclusively be deemed to have been given when received.

13. Payment. Payment shall be made in lawful tender.

14. Expenses; Waivers. If action is instituted to collect this Note, the Company shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred in connection with such action. Company hereby waives notice of default, presentment or demand for payment, protest or notice of non-payment or dishonor and all other notices or demands relative to this instrument.

15. Governing Law. This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of [NAME], without regard to the conflicts of law provisions of the State of _____ or of any other state.

IN WITNESS WHEREOF, Company has caused this Note to be issued as of the date first written above.

a _____ Corporation

By:

Name: _____

Title: _____

APPENDIX B SUBORDINATED PROMISSORY NOTE

SCHEDULE 1

REPAYMENT SCHEDULE

[To include commencement of repayment date and repayment schedule]