UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): **May 2, 2016**

DLH Holdings Corp.

(Exact name of registrant as specified in its charter)

COMMISSION FILE NUMBER**: 0-18492**

New Jersey	**22-1899798**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3565 Piedmont Road, NE, Building 3, Suite 700
Atlanta, GA 30305
(Address and zip code of principal executive offices)

(866) 952-1647
(Registrant's telephone number, including area code

CHECK THE APPROPRIATE BOX BELOW IF THE FORM 8-K FILING IS INTENDED TO SIMULTANEOUSLY SATISFY THE FILING OBLIGATION OF THE REGISTRANT UNDER ANY OF THE FOLLOWING PROVISIONS:

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

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

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

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

Item 1.01 Entry into a Material Definitive Agreement.

Acquisition of Danya International, LLC

On May 3, 2016, DLH Holdings Corp. ("DLH" or the "Company") acquired Danya International, LLC ("Danya") pursuant to a definitive Equity Purchase Agreement dated May 3, 2016 (the "Purchase Agreement") among Danya, DI Holdings, Inc. (the "Seller") and certain equity holders thereof. The acquisition was completed on May 3, 2016 and Danya became a direct, wholly-owned subsidiary of DLH on such date (the "Acquisition").

At the closing of the Acquisition, the Company paid and issued to the Seller a total purchase price of $38,750,000 as follows: (i) cash in the amount of $36,250,000 and (ii) 670,242 restricted shares of DLH Common Stock (the "Purchase Price Shares"), which were valued at $2.5 million in the aggregate, based on the 20 day VWAP of DLH's Common Stock. The purchase price is subject to post-closing adjustment based on Danya's working capital as of the closing date. The Company funded the cash purchase price and the costs and expenses of the Acquisition through a combination of cash on hand, a new credit facility provided by Fifth Third Bank and a subordinated loan from funds affiliated with Wynnefield Capital, Inc., as described in greater detail below. The Purchase Agreement also provides for restrictions on the resale of the Purchase Price Shares and piggyback registration rights for the Purchase Price Shares.

The Purchase Agreement contains customary representations, warranties and covenants by the parties. Subject to certain limitations and conditions, the Company will be indemnified by the Seller and the majority owners of Seller for damages resulting from breaches or inaccuracies of the representations, warranties, and covenants of the Seller, Danya and certain of the equity owners of Seller as set forth in the Purchase Agreement. The Purchase Agreement further provides that an escrow fund of $3,875,000 will be established for the benefit of DLH in order to satisfy indemnification obligations of the Seller that may arise following the closing. Fifty percent (50%) of the escrow fund (less any amounts paid or for pending claims) will be released to the Seller nine months after the closing and the remaining balance (less any amounts paid or for pending claims) will be released 18 months after the closing.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby is not complete and is subject and qualified in its entirety by reference to the text of the Purchase Agreement, which is filed as Exhibit 2.1 to this report and incorporated by reference in this Item 1.01. The representations and warranties of the parties in the Purchase Agreement have been made solely for the benefit of the other parties to the Purchase Agreement, and were not intended to be, and should not be, relied upon by any person other than such parties, including shareholders of the Company; should not be treated as categorical statements of fact, but rather as a way of allocating risk between the parties; in some cases have been qualified by disclosures that were made to the other parties in connection with the negotiation of the Purchase Agreement, which disclosures are not necessarily reflected in the Purchase Agreement; may apply standards of materiality in a way that may differ from standards of materiality applied by investors; and were made only as of the date of the Purchase Agreement or as of such other date or dates as may be specified in the Purchase Agreement, and are subject to developments occurring after those dates.

After giving effect to the issuance of the shares of Common Stock issued to Seller at closing, Seller will beneficially own approximately 6.5% of the Company's outstanding shares of Common Stock. In addition, pursuant to the Purchase Agreement, Dr. Jeffrey Hoffman, the majority equity owner, and an officer and director, of Seller, entered into a consulting agreement with the Company pursuant to which he will provide transition consulting services to the Company for up to two years and receive a monthly consulting fee of $10,000. Dr. Hoffman also entered into a non-compete agreement under which he is subject to non-competition and non-solicitation covenants. The foregoing descriptions of the Consulting Agreement and Non-Competition Agreement are not complete and are subject and qualified in their entirety by reference to the text of such agreements, which are filed as Exhibits 10.1 and 10.2, respectively to this report and incorporated by reference in this Item 1.01.

New Credit Agreement

On May 2, 2016, the Company entered into a Loan Agreement (the "New Credit Agreement"), with Fifth Third Bank (the "Bank") to establish a new credit facility to provide partial financing for the acquisition of Danya in the form of up to $35 million of new secured debt. The New Credit Agreement consists of (i) a secured revolving credit facility in an aggregate principal amount of up to $10 million (the "Revolving Credit Facility") and (ii) a secured term loan with an aggregate principal amount of $25 million (the "Term Loan" and together with the Revolving Credit Facility, the "Credit Facilities").

The Term Loan matures on May 1, 2021 and the Revolving Credit Facility matures on May 1, 2018. The Term Loan and Revolving Credit Facility bear interest at the rate of LIBOR plus a margin of 3.00%. The Credit Facilities are secured by liens on substantially all of the assets of DLH and Danya and DLH's other subsidiaries. At closing, the Company received the entire amount of the $25.0 million Term Loan and drew down $5.0 million from the Revolving Credit Facility, and utilized the

proceeds to pay a substantial portion of the cash purchase price of Danya. The principal of the Term Loan is payable in fifty-nine consecutive monthly installments of $312,500 beginning in June 2016, and the balance is payable on the Term Loan maturity date.

Commencing with the fiscal year ending September 30, 2017, the Company will be required to remit to the Bank an amount of 75% of excess cash flow, as defined in the New Credit Agreement, to further reduce the outstanding principal of, and interest on, the Term Loan. The required excess cash flow payment will be reduced to 50% if the ratio of Funded Indebtedness to Adjusted EBITDA ratio is less than 2.5 to 1.0, but greater than or equal to 2.0 to 1.0. No excess cash flow payments are required if the ratio is below 2.0 to 1.0. All unpaid loans borrowed under the Term Loan and the Revolving Credit Facility must be repaid on their respective maturity dates, as stated above.

As part of the Revolving Credit Facility, the Bank agreed to issue letters of credit for the account of the borrower in an aggregate amount not to exceed $1.0 million, subject to the Bank's applicable procedures. The remaining available balance of the Revolving Credit Facility is available, subject to certain limitations including a borrowing base, for general working capital purposes.

The New Credit Agreement contains customary covenants applicable to DLH and Danya, DLH's other subsidiaries, which include limitations on: liens, other indebtedness; maintenance of assets; investments in other entities and extensions of credit; mergers and consolidations; and changes in nature of business. The New Credit Agreement requires the Company to comply with certain financial covenants including (i) a minimum fixed charge coverage ratio of at least 1.35 to 1.0 commencing with the quarter ending June 30, 2016 and for all subsequent periods and (ii) a Funded Indebtedness to Adjusted EBITDA ratio not exceeding the ratio of 2.99 to 1.0 at closing and thereafter a ratio ranging from 3.5 to 1.0 for the period through September 30, 2016 to 2.5 to 1.0 for the period ending September 30, 2018.

The New Credit Agreement also contains certain customary events of default, including, among others, defaults based on certain bankruptcy and insolvency events, nonpayment, cross-defaults to other debt, breach of specified covenants, ERISA events, material monetary judgments, change of control events, suspension or disbarment from contracting with the federal government and the material inaccuracy of our representations and warranties. If an event of default occurs and is continuing under the New Credit Agreement, that agreement provides that the Bank may terminate the commitments under the agreement, stop making additional credit available, declare amounts outstanding, including principal and accrued interest and fees, payable immediately, and enforce any and all rights and interests of the lenders.

The foregoing description of the New Credit Agreement and the transactions contemplated therein is not complete and is subject to, and qualified in its entirety by, the full text of the New Credit Agreement, which is attached as Exhibit 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

In addition, pursuant to the New Credit Agreement, the Company delivered notes to the Bank to evidence the borrowings under the Term Loan and the Revolving Credit Facility and the Company and its subsidiaries also entered into security agreements and pledge agreements with the Bank covering the collateral securing these loans. The form of the term note and revolving credit note are attached as Exhibits 4.1 and 4.2, respectively, and the forms of security agreement and pledge agreement are attached as Exhibits 10.4 and 10.5 to this Current Report on Form 8-K.

Subordinated Loan Agreement

In addition to the New Credit Agreement, on May 2, 2016, the Company entered into a Note Purchase Agreement (the "Subordinated Loan Agreement") with Wynnefield Partners Small Cap Value L.P., Wynnefield Partners Small Cap Value I L.P., and Wynnefield Small Cap Value Offshore Fund, Ltd. (collectively, the "Subordinated Lenders") pursuant to which the Company obtained financing in an aggregate amount of $2.5 million (the "Subordinated Loan") and used such funds towards the purchase price of the Acquisition. The Subordinated Lenders are entities affiliated with Wynnefield Capital, Inc., which beneficially owns, through various related entities and funds, approximately 45% of the Company's Common Stock based on the outstanding number of shares of Common Stock immediately prior to the closing of the Acquisition. In partial consideration for the Subordinated Loan, the Company issued the Subordinated Lenders warrants to purchase an aggregate of 53,619 shares of common stock (the "Warrants"), representing 8% of the principal amount of the Subordinated Loan.

Pursuant to the Subordinated Loan Agreement, the Company issued the Subordinated Lenders subordinated notes in the aggregate principal amount of $2.5 million (the "Subordinated Notes"). The Subordinated Notes bear interest at the rate of 4.0% per annum and mature on the earlier of the 66-month anniversary of issuance or the completion by the Company of an equity financing transaction, including a rights offering, resulting in at least $2.5 million of gross proceeds. The Warrants are exercisable for five years at an initial exercise price equal to $3.73. The initial exercise price of the Warrants is subject to

adjustment for certain customary events and includes weighted average anti-dilution protection for future issuances by the Company, subject to certain exclusions.

The Subordinated Loan Agreement contemplates that the Company will commence a rights offering for at least $2.5 million, the proceeds of which will be used to retire the Subordinated Loan. It is anticipated that the Subordinated Lenders, or their affiliates, will serve as a standby purchaser in connection with a rights offering, subject to the negotiation and execution of a mutually acceptable standby purchase agreement. The exercise price of the purchase rights to be distributed in the rights offering will be fixed at the time of the offering and will be subject to market conditions. Under the terms of the Subordinated Loan Agreement, the Company granted the Subordinated Lender the right, subject to certain limitations, to purchase a pro rata portion of any new equity securities proposed to be offered or sold by the Company, for a period expiring on the earlier of (i) the maturity date of the Subordinated Notes or (ii) the accelerated payment date of the Subordinated Notes.

In connection with the parties' entry into the Subordinated Loan Agreement, the Company, the Bank and the Subordinated Lenders entered into a subordination agreement concerning the terms of the subordination of the Subordinated Loan to the New Credit Facility provided by the Bank. Under the subordination agreement, the Company may not make payments to the Subordinated Lenders except as permitted under the subordination agreement.

The foregoing description of the Subordinated Loan Agreement and the transactions contemplated therein is not complete and is subject to, and qualified in its entirety by, the full text of the Subordinated Loan Agreement, the Subordination Agreement, the form of Subordinated Note and the form of Warrant, which documents are attached as Exhibits10.6, 10.7, 4.3 and 4.4 to this Current Report on Form 8-K and incorporated herein by reference.

Item 1.02 Termination of Material Definitive Agreement.

In connection with the Acquisition and the establishment of the New Credit Facility, as described in Item 1.01 of this Current Report on Form 8-K, the Company terminated its existing Loan and Security Agreement with Presidential Financial Corporation, dated July 29, 2010 and as amended thereafter (the "Prior Loan Facility"). The Company did not incur an early termination fee in connection with the termination of its Prior Loan Facility.

Item 2.01 Completion of Acquisition or Disposition of Assets.

As described under Item 1.01 of this Current Report on Form 8-K, the Company completed its acquisition of Danya effective May 3, 2016 for a total purchase price of $38,750,000, funded by borrowings under the New Credit Facility and Subordinated Loan Agreement, shares of its Common Stock valued at $2.5 million and cash on hand. The foregoing does not constitute a complete summary of the Acquisition or the terms of the Purchase Agreement, and reference is made to the disclosures contained in Item 1.01 hereof and the complete text of the Purchase Agreement filed as Exhibit 2.1 to this Current Report on Form 8-K, which are incorporated by reference herein.

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

The information contained in Item 1.01 above regarding the New Credit Facility and the Subordinated Loan Agreement is incorporated by reference herein.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 1.01 of this Current Report on Form 8-K regarding the issuance of the shares of Common Stock by DLH pursuant to the Acquisition and the issuance of the Warrants pursuant to the Subordinated Loan Agreement is incorporated herein by reference. The securities issued pursuant to the Acquisition and the Subordinated Loan Agreement are restricted securities and were offered and sold in private transactions to accredited investors (as such term is defined in Rule 501(a), as promulgated under the Securities Act of 1933), without registration under the Securities Act and the securities laws of certain states, in reliance on the exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended and similar exemptions under applicable state laws. The securities sold in the foregoing transaction may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Item 9.01 Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired*

The Company will furnish the financial statements of the business acquired as required by Item 9.01(a) by amendment not later than 71 calendar days after the date on which the initial Current Report on Form 8-K with respect to the consummation of the Acquisition reported under Item 2.01 of this report is required to have been filed with the SEC pursuant to SEC rules.

(b) *Pro Forma Financial Information*

The Company will furnish the *pro forma* financial information required by Item 9.01(b) by amendment not later than 71 calendar days after the date on which the initial Current Report on Form 8-K with respect to the consummation of the Acquisition reported under Item 2.01 of this report is required to have been filed with the SEC pursuant to SEC rules

(d) *Exhibits*

The following exhibits are attached to this Current Report on Form 8-K:

Exhibit Number	**Exhibit Title or Description**
2.1	Equity Purchase Agreement among the Company, Danya International LLC, DI Holdings Inc. and the owners named therein (The schedules and exhibits to the Purchase Agreement are omitted pursuant to Item 601(b)(2) of Regulation S-K. DLH Holdings Corp. agrees to furnish as supplemental information to the SEC, upon request, a copy of any omitted schedule or exhibit).
4.1	Form of Term Note issued pursuant to the Loan Agreement.
4.2	Form of Revolving Credit Note issued pursuant to the Loan Agreement.
4.3	Form of Subordinated Promissory Note issued to Subordinated Lenders.
4.4	Form of Warrant issued to Subordinated Lenders.
10.1	Consulting Agreement between the Company and Jeffrey Hoffman.
10.2	Non-Competition Agreement between the Company and Jeffrey Hoffman.
10.3	Loan Agreement among Fifth Third Bank, DLH Holdings Corp., DLH Solutions, Inc. and Danya International, LLC.
10.4	Form of Security Agreement entered into pursuant to the Loan Agreement.
10.5	Form of Pledge Agreement entered into pursuant to the Loan Agreement.
10.6	Note Purchase Agreement among the Company and the Subordinated Lenders named therein.
10.7	Subordination Agreement among the Company, Fifth Third Bank and the Subordinated Lenders.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

DLH Holdings Corp.

By: /s/ Kathryn M. JohnBull
Name: Kathryn M. JohnBull
Title: Chief Financial Officer

Date: May 6, 2016

EXHIBIT INDEX

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EQUITY PURCHASE AGREEMENT

by and among

DLH HOLDINGS CORP.,

a New Jersey corporation,

DANYA INTERNATIONAL LLC,

a Maryland limited liability company,

DI HOLDINGS, INC., AS THE SELLER,

CERTAIN OF THE OWNERS OF DI HOLDINGS, INC.

Dated: May 3, 2016

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EQUITY PURCHASE AGREEMENT

THIS EQUITY PURCHASE AGREEMENT (this "Agreement") is entered into as of May 3, 2016, by and among DLH Holdings Corp., a New Jersey corporation (the "Buyer"), Danya International LLC, a Maryland limited liability company (the "Company," formerly, "Danya International Inc."), DI Holdings, Inc., a Maryland corporation (the "Seller"), and the Owners listed on the signature page of this Agreement as the Majority Owners (collectively, the "Majority Owners"). For purposes of clarity, references to the Company includes Danya International LLC and Danya International Inc., unless otherwise provided.

RECITALS:

A. Prior to the Closing: (i) the Persons who were the owners of the Company immediately prior to the Reorganization described in this paragraph (collectively, the "Owners") formed the Seller and filed the appropriate elections to treat the Seller as an S-corporation for U.S. federal and applicable state income Tax purposes, (ii) then the Owners contributed their capital stock in Danya International Inc., a Maryland corporation (the "Corporation"), to the Seller in exchange for all of the equity interests in the Seller, and the Seller became the sole stockholder of the Corporation, (iii) the Seller then filed the appropriate elections to cause the Company to be treated as a "qualified subchapter S subsidiary" for U.S. federal and applicable state income tax purposes, at which point it became disregarded as an entity separate from its owner for federal income Tax purposes, and (iv) the Company then converted from a corporation to a limited liability company pursuant to Maryland corporate law and for federal income Tax purposes remained disregarded as an entity separate from its owner (such conversion, the "LLC Conversion," and the foregoing actions collectively, the "Reorganization").

B. Immediately following the Reorganization and prior to the Closing, the Seller owns all of the issued and outstanding equity securities of the Company, consisting of the "Membership Interests" defined in the Operating Agreement (the "Interests"). All of the Interests outstanding as of the Closing is referred to as the "Equity."

C. The parties intend that the Reorganization will be treated as a reorganization within the meaning of section 368(a)(1)(F) of the Code (an "F Reorganization") and that the sale and purchase of the Equity will be treated as the sale and purchase of assets from the Seller for income Tax purposes.

D. Prior to but contingent upon the Closing, the Company terminated the Option Plan in accordance with the terms and conditions of the Option Plan and all outstanding Options thereunder in exchange for the Option Repurchase Payment, which were paid (net of applicable withholdings) to the Persons holding Options immediately prior to the termination of the Option Plan (the "Former Option Holders").

E. The Seller desires to sell and convey the Equity to the Buyer, and the Buyer desires to purchase the Equity from the Seller, upon the terms and conditions set forth in this Agreement.

F. The Majority Owners will benefit from the transactions evidenced by the Transaction Documents, and have agreed to join in this Agreement to induce the Buyer to enter into this Agreement and the other Transaction Documents to which each is a party.

G. The Equity that is to be sold and conveyed to the Buyer pursuant to this Agreement constitutes all of the issued and outstanding equity securities and convertible securities of the Company.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. PURCHASE PRICE.

1.1 Purchase and Sale of the Equity, and Purchase Price.

(a) On the terms and subject to the conditions of this Agreement, at the Closing the Seller will sell, transfer, assign and convey to the Buyer, and the Buyer will purchase and accept from the Seller, the Equity (which represents all of the outstanding equity securities and convertible securities of the Company). In full payment for the Equity and in consideration of each of the Seller's and the Majority Owners' representations, warranties, covenants and agreements in this Agreement and the other Transaction Documents, Buyer will pay or cause to be paid the Purchase Price to or on behalf of the Seller in the manner described in Section 1.2(b) and Section 1.4.

(b) The term "Purchase Price" means the Base Purchase Price as paid in accordance with Section 1.2(b), plus or minus the Spread, as paid in accordance with Section 1.4. The term "Base Purchase Price" means $38,750,000, consisting of:

(i) $36,250,000 in cash, plus or minus the Estimated Working Capital Excess or the Estimated Working Capital Deficit, as the case may be, determined in accordance with Section 1.2(d); and

(ii) $2,500,000 of Buyer Common Stock, the number of shares of which is determined by dividing $2,500,000 by VWAP of the Buyer Common Stock for the last twenty (20) trading days immediately prior to the Closing Date, which shares will be issued to the Seller at the Closing in accordance with Section 1.7.

1.2 Closing and Payments.

(a) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") will take place at the offices of Holland & Knight LLP, 1600 Tysons Boulevard, Suite 700, McLean, Virginia 22102, on the date of this Agreement (the "Closing Date"). By mutual agreement of the parties, the Closing may take place by conference call and electronic (i.e., e-mail/PDF) or facsimile with exchange of original signatures by overnight mail. To the extent permitted by Applicable Law and GAAP, for Tax and accounting purposes, the parties will treat the Closing as being effective as of 11:59 p.m. Washington, D.C. time on the Closing Date.

(b) Closing and Post-Closing Payments.

(i) At the Closing, the Buyer will do, or cause to be done, the following:

(A) pay from the Base Purchase Price the Escrow Amount by wire transfer of immediately available funds to an escrow account (the "Escrow Account") to be established with the Escrow Agent, and to be held by the Escrow Agent, pursuant to the terms of an escrow agreement in the form attached hereto as Exhibit A (the "Escrow Agreement");

(B) pay from the Base Purchase Price any unpaid Seller Expenses identified in the Flow of Funds Memorandum that have not been paid by the Company or the Seller prior to Closing (which shall represent all unpaid Seller Expenses);

(C) pay from the Base Purchase Price any unpaid Debt identified in the Flow of Funds Memorandum;

(D) pay to the Seller an amount equal to the Base Purchase Price minus the amount of each of: the Escrow Amount, the Seller Expenses paid pursuant to Section 1.2(b)(i)(B),the Debt paid pursuant to Section 1.2(b)(i)(C), and the amount of the Buyer Common Stock Value (the "Closing Payment").

(ii) Following the Closing, the Buyer shall, or shall cause the Company to, pay when due to such Persons the deferred portions of such Transaction Payments, as set forth in Schedule 1.2(b)(ii), in accordance with the terms of the applicable Change in Control Agreements between the Company and such Persons. To the extent any deferred portion of a Transaction Payment is forfeited by any such Person in accordance with the terms of the applicable Change in Control Agreement and is not paid to such Person, the Buyer shall cause such portion to be paid to the Seller promptly (and in any event within five (5) Business Days) following any such forfeiture.

The foregoing payments to be made at Closing will be made to such Persons and to such accounts as set forth in the Flow of Funds Memorandum.

(c) Flow of Funds. Prior to the Closing Date, the Company and the Seller prepared and delivered to the Buyer a certificate signed by the Company, the Majority Owners, and the Seller certifying the Company's and the Seller's good faith estimate (including all calculations in reasonable detail) of: (i) an estimated balance sheet of the Company as of the Closing Date ("Estimated Closing Date Balance Sheet"), which included a calculation of the Net Working Capital ("Estimated Net Working Capital"), which for the avoidance of doubt excluded any receivables written off or determined by the Company to be uncollectible, (ii) the amount of Debt as of the Closing Date together with a payoff letter (including wire transfer instructions) from each holder of any such Debt, which letter specifies the aggregate amount required to be paid in order to repay in full the Debt related to such payoff letter (including any and all accrued but unpaid interest and prepayment penalty obligations and breakage costs due upon repayment) and payment instructions on the projected Closing Date, as well as the per diem amount to be added thereto in the event that the actual Closing Date is a date subsequent to the projected Closing Date (or, in the case of any Debt that cannot be determined prior to the Closing Date, a good faith estimate of such Debt and a form of the payoff letter to be delivered on the Closing Date), (iii) the amount of unpaid Seller Expenses to be paid at the Closing and payment instructions with respect to each party to which such Seller Expenses are to be paid, and (iv) the amount of the Closing Payment to be paid to the Seller in accordance with this Agreement with payment instructions therefor (the "Flow of Funds Memorandum").

(d) Preliminary Adjustment to Closing Payment. If the Estimated Net Working Capital, as set forth in the Estimated Closing Date Balance Sheet, prepared in accordance with Section 1.2(c), is less than the Target Working Capital, then the Closing Payment will be reduced on a dollar-for-dollar basis equal to the amount of such deficiency (the "Estimated Working Capital Deficit"), and if the Estimated Net Working Capital, as set forth in the Estimated Closing Date Balance Sheet, is greater than the Target Working Capital, then the Closing Payment will be increased on a dollar-for-dollar basis equal to the amount of such excess (the "Estimated Working Capital Excess"). The Purchase Price will thereafter be subject to adjustment as provided in this Agreement, including Section 1.3 and Section 1.4. For the sake of clarity, any adjustment to the Purchase Price in connection with this Section 1.2(d) or Section 1.4 will not be used in calculating whether either the Basket Amount has been met or the maximum aggregate indemnification limitations set forth in Section 7.5(b) have been met.

1.3 Determination of Actual Net Working Capital. Within ninety (90) days after the Closing Date, the Buyer will prepare and deliver to the Seller a certificate (the "NWC Certificate"), signed by the

Buyer, certifying the Buyer's good faith determination of the actual Net Working Capital, and identifying any adjustments to the Purchase Price as a result of such amounts being greater or less than the amount of Estimated Net Working Capital set forth on the Flow of Funds Memorandum, taking into account the adjustments in Section 1.2(d). If the Seller does not object to the calculation of actual Net Working Capital in the NWC Certificate within thirty (30) days after the Seller's receipt thereof, or accepts the Buyer's determination of the Net Working Capital as set forth in the NWC Certificate during such thirty (30) day period, then the Purchase Price will be adjusted as set forth in the NWC Certificate, and payment made in accordance with Section 1.4. If the Seller objects to the calculation of actual Net Working Capital in the NWC Certificate, then the Seller must notify the Buyer in writing of such objection within thirty (30) days after the Seller's receipt thereof (such notice setting forth in reasonable detail the basis for such objection, an "Objection Notice"). During the period beginning on the date of delivery of the NWC Certificate and ending on the later of the expiration of such thirty (30) day period or the date the Actual Net Working Capital is finally determined pursuant to this Section 1.3, the Buyer will permit the Seller reasonable access (during Buyer's standard business hours) to such work papers relating to the preparation of the NWC Certificate and the calculation of Net Working Capital, as may be reasonably necessary to permit the Seller to review in detail the manner in which the NWC Certificate was prepared and the appropriate calculation of Net Working Capital, and all information received pursuant to this Section 1.3 will be kept confidential pursuant to Section 5.1 by the party receiving it. The Buyer and the Seller will thereafter negotiate in good faith to resolve any such objections. If the Buyer and the Seller are unable to resolve all of such differences within twenty (20) calendar days of the Buyer's receipt of the Objection Notice, then upon request of either party the parties will resolve the dispute by way of the Dispute Resolution Procedure.

1.4 Adjustment to Purchase Price. The Net Working Capital amount determined in accordance with Section 1.3 (the "Actual Net Working Capital") will be used to calculate post-Closing adjustments to the Purchase Price, as follows:

(a) if the Actual Net Working Capital exceeds the Estimated Net Working Capital, then the Buyer will pay or cause to be paid to the Seller an amount equal to the Spread;

(b) if the Estimated Net Working Capital exceeds the Actual Net Working Capital, then the Seller will pay to the Buyer an amount equal to the Spread; and

(c) if: (i) the Buyer is required to pay an amount to the Seller under this Section 1.4, then the Buyer will make such payment within three (3) Business Days after the date on which Actual Net Working Capital is finally determined pursuant to Section 1.3 above, and (ii) the Seller is required to pay an amount to the Buyer under this Section 1.4, then the Seller will pay such required amount within three (3) Business Days after the date on which Actual Net Working Capital is finally determined pursuant to Section 1.3 above.

1.5 Form of Payments. Except as expressly provided herein, all payments under this Agreement will be made by delivery to the recipient by depositing, by check or wire transfer, of the required amount (in immediately available funds in United States currency) to an account of the recipient, which account will be designated by the recipient in writing at least three (3) Business Days prior to the date of the required payment. Prior to the Closing, the Seller shall take commercially reasonable efforts to distribute to the Seller any Cash in the Company's Bank Accounts.

1.6 Withholding Rights. Each of the Buyer, the Escrow Agent and the Company, as the case may be, shall be entitled to deduct and withhold from any consideration otherwise payable to any Person pursuant to this Agreement such amounts as it is required to deduct and withhold with respect to the making of such payment or to otherwise take such action to satisfy any other Tax withholding and reporting obligations with respect to the transactions contemplated hereby. To the extent that such amounts are so

withheld or paid over to or deposited with the relevant Governmental Authority by the Buyer, the Escrow Agent or the Company, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the applicable Person in respect to which such deduction and withholding was made.

1.7 Issuance of Stock. With respect to the shares of the Buyer Common Stock to be issued to the Seller as described in Section 1.1(b)(ii), at Closing, the Buyer will direct its transfer agent to issue to Seller, on an expedited basis, a certificate representing such shares, bearing such restrictive legends as may be required by Buyer's legal counsel and transfer agent, consistent with the terms of this Agreement, including Section 3.9 and Section 5.8.

2. REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY.

Each of the Company and the Seller, jointly and severally, represents and warrants to the Buyer that the statements contained in this Section 2 are true and correct as of the Closing Date (notwithstanding any earlier date referenced in any of the Disclosure Schedules), except to the extent that a representation and warranty contained in the text of this Section 2 expressly states that such representation and warranty is current as of an earlier date and then such statements contained in this Section 2 are true and correct as of such earlier date. For purposes of this Section 2, references to the "Company" shall include the "Corporation" where appropriate or where Applicable Law requires, pursuant to the Reorganization.

2.1 Organization.

(a) Immediately prior to the Reorganization, the Company was a corporation duly formed, validly existing and in good standing under the Laws of Maryland, and was qualified or registered to do business and in good standing in each jurisdiction in which the nature of its business or operations would require such qualification or registration except where the failure to be so qualified or registered can be cured without material cost or expense. Immediately following the Reorganization, the Company is a limited liability company duly formed, validly existing and in good standing under the Laws of Maryland, and is qualified or registered to do business and in good standing in each jurisdiction in which the nature of its business or operations would require such qualification or registration except where the failure to be so qualified or registered can be cured without material cost or expense. As of immediately prior to the Reorganization, the Company was qualified or registered to do business in each jurisdiction listed on Schedule 2.1(a). The address of the Company's principal office and all of the Company's additional places of business are listed on Schedule 2.1(a). Except as set forth on Schedule 2.1(a), during the past five (5) years, the Company has not been known by or used any corporate, fictitious or other name in the conduct of the Company's business or in connection with the use or operation of the Assets. Schedule 2.1(a) lists all current managers and officers of the Company, showing each such person's name and positions.

(b) The Company has no Liability related to any former Subsidiary or Previously Acquired Entity. The Company does not currently have any Subsidiaries. Notwithstanding anything to the contrary contained in this Agreement, and without limiting any other remedies of the Buyer Parties hereunder, in the event that the representation and warranty in this Section 2.1(b) is not true and correct as of the Closing Date, any reference in this Agreement or any other Transaction Document to the Company shall include any such Subsidiary to the extent reasonably applicable. The Company does not own, directly or indirectly through a Subsidiary, or have the power to vote, the shares of any equity securities or other ownership interests of any Person.

2.2 Authorization; Documentation.

(a) The Company has the requisite power and authority to conduct its business as it is now being conducted, to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the other Transaction Documents by the Company, and the Company's consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite corporate or other action of the Company.

(b) The copies of the Company's Charter and Governing Documents, which will be delivered to the Buyer at the Closing, are true, complete and correct copies of the Company's Charter and Governing Documents, as amended through and in effect on the Closing Date. The minute books and records of the proceedings of the Company, copies of which have been delivered to the Buyer and originals of which will be delivered to the Buyer on the Closing Date contain complete records of all material actions taken at any meeting of the Company's equity holders, Board of Directors/Managers (or equivalent) or any committee thereof and all written consents in lieu of such meetings, and are true, correct and complete in all material respects. There have been no changes, alterations or additions to such minute books and records of the proceedings of the Company on or prior to the Closing Date that have not been delivered to the Buyer.

2.3 Ownership. The Seller owns, beneficially and of record, all of the equity securities of the Company, free and clear of any and all Liens. Upon delivery of the Equity to the Buyer on the Closing Date in accordance with this Agreement and upon the Buyer's delivery of the payments applicable to the Seller at the Closing pursuant to Section 1.2(b), the entire legal and beneficial interest in the Equity and good, valid and marketable title to the Equity will pass to the Buyer, free and clear of all Liens other than restrictions of general applicability imposed by federal or state securities laws and any Liens imposed on the Equity by the Buyer or the Company's Charter and Governing Documents.

2.4 Capitalization.

(a) The authorized equity securities of the Company consist of the Interests issued under and in accordance with the Operating Agreement. Schedule 2.4(a) sets forth, as of the Closing Date, as applicable, all of the issued and outstanding Equity and the beneficial and record owners of such Equity and a stock ledger showing all equity securities issued by the Corporation prior to the Reorganization since its inception, including the stock ledger of the Company as of immediately prior to the Reorganization, which is complete and reflects all issuances, transfers, repurchases and cancellations of shares of capital stock of the Company as of immediately prior to the Reorganization. The Equity to be delivered by the Seller to the Buyer pursuant to this Agreement constitutes all outstanding equity securities and convertible securities of the Company. All of the equity securities of the Company, as of the date hereof, as of immediately prior to the Reorganization, and as of the Closing Date: (A) have been duly and validly issued; (B) are fully paid and nonassessable; and (C) were not issued or transferred in violation of any preemptive rights or rights of first refusal or first offer. All of the equity securities of the Company as of the date hereof, as of immediately prior to the Reorganization, and as of the Closing Date have been granted, offered, sold, issued, redeemed and transferred, as applicable, in compliance in all material respects with all applicable securities Laws. There are no outstanding or authorized equity appreciation, phantom equity or similar rights with respect to the Company, nor are there any voting trusts, proxies, equity holder agreements or any other agreements or understandings with respect to the voting of the Equity.

(b) Except as set forth on Schedule 2.4(b), there are no outstanding preemptive rights or rights of first refusal or first offer, nor are there any Contracts or restrictions to which the Company or the Seller is a party or by which the Company or the Seller is bound relating to any of the Equity or any other equity securities of the Company, whether or not outstanding; to the extent permitted by Applicable Law, the Seller and the Company have waived (or hereby waive) any and all such rights. Set forth on Schedule

2.4(b) is a full, complete and accurate ledger of all Options that have ever been issued, which lists, with respect to each Option, the name of the Option holder, date of issuance, vesting schedule, type of security that may be acquired thereunder, aggregate exercise price, termination date and reason such Option is no longer outstanding. True, complete and correct copies of each form agreement pursuant to which any Option has been issued, as amended to date, have been made available to Buyer. Each Option was issued with an exercise price equal to the fair market value of the securities into which such Option was exchangeable, as determined in good faith by the Company's Board of Directors/Managers (or equivalent) at the time of each such issuance and have been issued and administered in compliance with their terms and Applicable Law. As of the Closing Date, no Options are outstanding and the Company has no Liability related to any issued Options.

2.5 Binding Agreement. This Agreement has been duly executed by the Company and delivered to the other parties hereto, and (assuming this Agreement constitutes a valid, legal and binding obligation of each other party hereto) constitutes the legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery at the Closing by the Company, each other Transaction Document to which the Company is a party, will be duly and validly executed by the Company and delivered to the Buyer on the Closing Date, and will constitute (assuming, in each case, the due authorization, execution and delivery by each other party thereto) the Company's legal, valid and binding obligation, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

2.6 No Breach. Except as set forth on Schedule 2.6, the execution, delivery and performance of this Agreement and the other Transaction Documents to which the Company is a party, and the consummation of the transactions contemplated hereby and thereby by the Company and the performance by the Company hereunder and thereunder do not and will not: (A) violate or conflict with the Company's or the Seller's Charter and Governing Documents, any resolution adopted by the equity holders of the Company or the Board of Directors/Managers of the Company, or any Law or Order to which any of the Company, the Seller, the Majority Owners, any of the Assets or the Equity is subject, (B) with or without giving notice or the lapse of time or both, breach or conflict with, constitute or create a default under, or give rise to any right of termination, cancellation or acceleration of any obligation or result in a loss of a material benefit under, or give rise to any obligation of the Company, the Majority Owners or the Seller to make any payment under, or to the increased, additional, accelerated or guaranteed rights or entitlements of any Person under, any of the provisions of any Material Contract, (C) result in the imposition of a Lien on any of the Equity or the Assets or (D) require any filing with, or Permit, or the giving of any notice to, any Governmental Authority or other Person; provided, however, that the Company and the Seller make no representations or warranties under the foregoing clauses (B), (C) or (D) with respect to the LLC Conversion or the effects thereof.

2.7 Permits. The Company owns or possesses all right, title and interest in all Permits required to own its assets and conduct its business as now being conducted and as presently proposed to be conducted. All material Permits of the Company are listed on Schedule 2.7 and are valid and in full force and effect and the Company is in compliance, in all material respects, with the terms and conditions of such material Permits. No loss, revocation, cancellation, suspension, termination or expiration of any material Permit is pending or, to the Company's Knowledge, threatened other than expiration or termination in accordance with the terms thereof, which terms do not expire as a result of the consummation of the transactions contemplated hereby (other than as a result of the LLC Conversion, as to which the Seller and the Majority Owners make no representations or warranties). The Company has not received any notice

(written or otherwise) or any other communication from any Governmental Authority of any actual or alleged violation or non-compliance regarding any such Permit.

2.8 Compliance With Laws. The Company has complied, in all material respects, with all Laws of any Governmental Authority applicable to the Company, its business, the Equity or the Assets. The Company has not received any written or, to the Company's Knowledge, oral notice of any actual or alleged violation or non-compliance with applicable Laws.

2.9 Title. Except as set forth on Schedule 2.9, the Company has good and marketable title to all of the Assets, free and clear of all Liens other than Permitted Liens. The Assets constitute all of the assets, rights and properties that are used in the operation of the Company's business or that are used or held by the Company for use in the operation of the Company's business, and taken together, are adequate and sufficient for the operation of the Company's business as currently conducted and as presently proposed to be conducted. Except as set forth on Schedule 2.9, immediately following the Closing, all of the Assets will be owned, leased or available for use by the Company on terms and conditions substantially identical to those under which, immediately prior to the Closing, the Company owns, leases, uses or holds available for use such Assets.

2.10 Condition of Personal Property. All items of Personal Property with an individual value greater than $5,000 are set forth on Schedule 2.10. Except as set forth in Schedule 2.10, all items of Personal Property set forth on Schedule 2.10 are in good operating condition and repair (reasonable wear and tear excepted consistent with the age of such items) and are suitable for their intended use in the Company's business. The operation of the Company's business as it is now conducted or presently proposed to be conducted is not dependent upon the right to use any material personal property of Persons other than the Company, except for such Personal Property that is owned by, leased, licensed or otherwise contracted to the Company.

2.11 Accounts Receivable.

(a) All accounts receivable of the Company shown on all balance sheets included in the Financial Statements arose from sales actually made or services actually performed in the Ordinary Course of Business and are valid receivables net of reserves shown thereon. All billed and unbilled accounts receivable of the Company as of April 29, 2016, are set forth on Schedule 2.11.

(b) All accounts receivable of the Company set forth on Schedule 2.11 (whether billed or unbilled): (i) are not subject to any valid setoffs or counterclaims and (ii) have been collected or, to the Company's knowledge (i.e. assuming reasonable collection efforts (consistent with the Company's collection efforts prior to the Closing)) are fully collectible according to their terms in amounts not less than the aggregate amounts thereof carried on the books of the Company (net of reserves), by the Company following the Closing.

(c) At the Closing, all accounts receivable of the Company listed on the Estimated Closing Date Balance Sheet will be valid receivables arising in the Ordinary Course of Business not subject to any valid setoffs or counterclaims, and are fully collectible (subject to any reserves reflected on the Estimated Closing Date Balance Sheet) in accordance with their terms, assuming reasonable collection efforts (consistent with the Company's collection efforts prior to the Closing) by the Company following the Closing.

2.12 Intellectual Property.

(a) Disclosure.

(i) Schedule 2.12(a)(i) sets forth all United States and foreign Patents and Patent applications, Trademark registrations and applications, Internet domain name registrations and applications, and Copyright registrations and applications owned by, assigned to or filed in the name of the Company, specifying as to each item, as applicable: (A) the nature of the item, including the title; (B) the owner of the item; (C) the jurisdictions in which the item is issued or registered or in which an application for issuance or registration has been filed; and (D) the issuance, registration or application numbers and dates.

(ii) Schedule 2.12(a)(ii) sets forth all licenses, sublicenses and other agreements or permissions ("IP Licenses") (other than shrink wrap licenses or other similar licenses for commercial off-the-shelf software with an annual license fee of $10,000 or less which are not required to be listed, although such licenses are "IP Licenses" as that term is used herein) under which the Company is a licensee, sublicensee or otherwise is authorized to use or practice any Intellectual Property owned by any other Person, and for each such IP License, describes: (A) the applicable Intellectual Property licensed, sublicensed or used, (B) the scope of such licenses, sublicenses and other agreements or permissions granted (C) the term of such IP License, and (D) any continuing royalty or continuing license fees required to be paid by the Company. Other than as set forth on Schedule 2.12(a)(ii), the Company is not obligated to pay any royalties or continuing license fees with respect to any Intellectual Property Used by the Company.

(b) Ownership. The Company owns, free and clear of all Liens (other than Permitted Liens), all material Intellectual Property currently Used in the Company's business, and owned all Intellectual Property previously Used in the Company's business, in each case other than the Intellectual Property subject to the IP Licenses listed in Schedule 2.12(a)(ii) or not required to be listed by the terms of Section 2.12(a)(ii). To the Company's Knowledge, there are no facts or circumstances that would render any Intellectual Property owned or purported to be owned by the Company invalid or unenforceable in any respect. No Person other than the Company has any ownership or rights in any Intellectual Property that is owned or purported to be owned by the Company and that is Used in the Company's business. Except as set forth in Schedule 2.12(b), none of the Company's Contracts require the Company to assign ownership of Intellectual Property developed by the Company to any other Person.

(c) Licenses. The Company has valid and enforceable licenses to use all Intellectual Property that is the subject of the IP Licenses. The Company has performed all material obligations imposed on it in the IP Licenses, has made all payments required to date, and is not, nor to the Company's Knowledge is another party thereto, in material breach or default thereunder, nor has any event occurred that with notice or lapse of time or both would constitute a material default thereunder. With regard to the IP Licenses material to the Company's business or necessary to fulfill the Company's Contract obligations, the Company is not in breach or default thereunder, nor has any event occurred that with notice or lapse of time or both would constitute a default thereunder. The Company's Use of the Intellectual Property that is the subject of the IP Licenses does not exceed in any manner the rights granted to the Company under such IP Licenses.

(d) Registrations. All registrations for Copyrights, Patents and Trademarks that are owned by or exclusively licensed to the Company are valid and in force, and all applications to register any Copyrights, Patents and Trademarks (if any) are pending and in good standing, and the Company has not received notice of any and has no Knowledge of any challenge, interference or opposition of any kind.

(e) Claims.

(i) No Claim is pending or, to the Company's Knowledge, threatened against the Company, and, to the Company's Knowledge, there is no basis for any Claim that challenges the validity, enforceability, ownership, or right to Use, sell, license or sublicense any Intellectual Property owned or

purported to be owned by the Company or licensed pursuant to any IP License, and no such item of Intellectual Property is subject to any outstanding Order, stipulation, charge or agreement restricting in any manner the Use, the licensing or the sublicensing thereof by the Company.

(ii) Neither the Company nor the Seller nor any of the Majority Owners has received any notice that it has infringed upon or otherwise violated the intellectual property rights of third parties or received any Claim alleging any such infringement or violation, and to the Company's Knowledge, there is no basis for any such Claim.

(iii) To the Company's Knowledge, no third party is infringing upon or otherwise violating any Intellectual Property owned by the Company.

(f) No Infringement. The (i) conduct of the Company's business by the Company as currently conducted and as conducted in the past does not and did not infringe or violate any Intellectual Property rights of any Person, and the (ii) Use of Intellectual Property in the current and past conduct of the Company's business does not and has not infringe or violate any Intellectual Property rights of any Person. None of the Intellectual Property, products or services owned, developed, provided, sold or licensed by the Company infringe upon or otherwise violate any Intellectual Property Rights of any third party. The Company had all rights necessary to grant to any Governmental Authority or other customer of the Company, either expressly, or by any act or omission of the Company, the rights to any Intellectual Property required to be delivered, licensed or otherwise provided by the Company under the applicable Contract.

(g) Software. The Company does not sell or license as the licensor any proprietary software application in which the Intellectual Property rights are owned by the Company, in each case that is material to the Company and its business, except as identified on Schedule 2.12(g)(i). Schedule 2.12(g)(ii) lists all proprietary software applications in which the Intellectual Property rights are not owned by the Company, but which the Company resells, sublicenses, grants rights to, or otherwise delivers to third parties, in each case that is material to the Company and its business. The software Used by the Company in connection with the business is substantially free of any material bugs, errors or other defects, and to the Seller's Knowledge, does not contain any unauthorized disabling codes or instructions, spyware, Trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or unauthorized disruption, impairment, disablement, or unauthorized destruction of, Software, data or other materials ("Contaminants"). The Company has taken commercially reasonable steps and implemented commercially reasonable safeguards to ensure that the Company's Systems are substantially free from Contaminants.

(h) Employees, Consultants and Other Persons. Each present or past employee, officer, director, agent, consultant or any other Person who developed on behalf of the Company any part of any Intellectual Property owned or purported to be owned by the Company, is a party to a valid and enforceable (except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles) written agreement that conveys to the Company any and all right, title and interest in and to all Intellectual Property developed by such Person in connection with such Person's employment with or engagement on behalf of the Company. Attached to Schedule 2.12(h) are copies of the current versions of the Company's standard forms of written Contracts referenced above. The Company has no obligation to pay royalties or other fees with respect to any Intellectual Property developed by any employee, officer or director of the Company, the Seller or any immediate family member or Affiliate of any of the foregoing (whether directly or indirectly through an Affiliate of such Person).

(i) Employee Breaches. To the Company's Knowledge, no employee of the Company has transferred, disclosed any Intellectual Property or confidential or proprietary information to the Company or to any third party or used any Intellectual Property in violation of any Law or any term of any

employment agreement, Patent or invention disclosure agreement or other Contract relating to the relationship of such employee with the Company or any prior employer.

(j) Related Parties; Government Funding, etc. The Company does not use or license any Intellectual Property owned by any director, officer, employee or consultant of the Company. No material Intellectual Property owned by the Company was developed using (in whole or in part) government or university funding or facilities and the Company has not granted to any Governmental Authority, either expressly, or by any act or omission of the Company, unlimited, unrestricted or government purpose rights, or any similar rights to any material Intellectual Property owned by the Company.

(k) Security. The Company maintains policies and procedures regarding data security and privacy that are commercially reasonable and, in any event, in compliance with all of its obligations under its Contracts and under all Applicable Laws. There has been no security breach relating to, violation of any security policy regarding, or unauthorized access or unauthorized use of, any data used in the Company's business, Confidential Information or Company-licensed Software residing on the Company's Systems. The use and dissemination of any and all data and information concerning individuals by the Company is in compliance in all material respects with (i) all customer, licensor and supplier Contracts and (ii) all Applicable Laws and (iii) all applicable privacy policies and terms of use. The transactions contemplated hereby will not violate any Company privacy policy or result in the loss by the Company of any ownership rights in or license rights to any Intellectual Property.

(l) Trade Secrets. (i) The Company has taken commercially reasonable actions to protect any Trade Secrets owned or purported to be owned by the Company, and any Trade Secrets held by the Company on behalf of any other Person from unauthorized use or disclosure, and to maintain such Trade Secrets in confidence so as to preserve their status as Trade Secrets; and (ii) to the Company's Knowledge, there has not been an unauthorized use or disclosure of any Trade Secrets owned by the Company.

(m) IT Systems. The computer, information technology and data processing systems, facilities and services used by the Company which it owns or controls, including all software, hardware, networks, communications facilities, platforms and related systems used by the Company which it owns or controls (collectively, the "Systems") sufficiently perform the computing, information technology and data processing operations necessary for the operation of the business of the Company as currently conducted. During the twelve (12) month period ending on the date hereof, there has been no failure, breakdown or continued substandard performance of any Systems lasting more than 12 hours that has caused a material disruption or interruption in or to any use of the Systems about which Company has been notified or has Knowledge, or the operation of the business of the Company. The Company makes back-up copies of data and information critical to the conduct of its business that is contained on Company servers at least once every seven (7) days and conducts periodic tests of the effectiveness of such back-up Systems owned or controlled by the Company.

2.13 Contracts.

(a) Schedule 2.13(a) contains a complete, current and correct list of all of the following types of Contracts presently in effect or pursuant to which the Company has any outstanding right or Liability as of the date of this Agreement, to which the Company is a party, by which any of its Assets are bound, or under which the Company otherwise has material obligations (provided, that for the purposes of this Section 2.13(a), the term Contracts will not include Leases and Government Contracts, so long as such Leases and Government Contracts are disclosed on Schedule 2.22(a) or Schedule 2.30(a)(i), respectively, if required to be disclosed thereon), with each such responsive Contract identified by each corresponding category (i) - (xii) below:

(i) any Contract with any Person listed on Schedule 2.32;

(ii) any Contract or group of related Contracts which (A) involve expenditures or receipts by the Company that require payments or yield receipts of more than $15,000 in any twelve (12) month period or more than $30,000 in the aggregate and (B) are not terminable by the Company on thirty (30) days' (or less) prior notice without Liability;

(iii) any Contract with any of its officers, directors/managers, employees, consultants, independent contractors or Affiliates (other than offer letters with employees and any other Contracts relating to employee compensation in the Ordinary Course of Business), and not otherwise listed on Schedule 2.24(a), Schedule 2.26(a) or Schedule 2.26(b), including all non-competition, severance, and indemnification agreements;

(iv) any collective bargaining agreement, including any amendments and side letter agreements thereto, and any other contract or agreement with a labor union or representative of a group of employees;

(v) any Contract for the license of any Intellectual Property involving the payment to the Company in excess of $15,000 per year;

(vi) any power of attorney;

(vii) any Contract entered into outside the Ordinary Course of Business, involving payment to or obligations of in excess of $10,000, not otherwise described in this Section 2.13(a);

(viii) any partnership, joint venture, profit-sharing or similar Contract entered into with any Person;

(ix) all Contracts related to the acquisition of each Previously Acquired Entity, or any Contract relating to any merger, consolidation or other business combination with any other Person or the acquisition or disposition of any other entity or its business or material assets or the sale of the Company, its business or material assets outside of the Ordinary Course of Business;

(x) any loan agreement, agreement of indebtedness, credit, note, security agreement, guarantee, mortgage, indenture or other document relating to the Debt, borrowing of money or extension of credit by or to the Company;

(xi) any material settlement agreement entered into within three (3) years prior to the Closing Date or under which the Company has outstanding obligations; and

(xii) any Contract granting, licensing, sublicensing or otherwise transferring any Intellectual Property of the Company other than non-exclusive licenses of the Company's Intellectual Property included in the Company's form customer agreements entered into in the Ordinary Course of Business.

(b) All of the Company's oral Contracts that are responsive to the categories listed above are identified in the Disclosure Schedules. All of the revenue received by the Company over the past five (5) years was received pursuant to written Contracts. True and correct copies of all written Contracts and summaries of the material terms of all oral Contracts listed in Schedule 2.13(a) have been made available to the Buyer.

(c) The Company is not a party to or bound by any Contract containing any covenant: (i) limiting in any respect the right of the Company to engage in any line of business, to make use of any Intellectual Property of the Company or product sold by the Company or compete with any Person in any line of business or in any geographic region, (ii) except as set forth in Schedule 2.13(c), imposing non-solicitation restrictions on the Company, (iii) granting to the other party any exclusivity or similar provisions or rights, including any covenant by the Company including organizational conflict of interest prohibition, restriction, representation, warranty or notice provision or any other restriction on future contracting, (iv) providing "most favored customers" or other preferential pricing terms for the Company's services, or (v) otherwise limiting or restricting the right of the Company to sell, distribute or manufacture any Company products or Company Intellectual Property or to purchase or otherwise obtain any software, components, parts or subassemblies.

(d) The Company has all the Contracts it needs to carry on the Company's business as now being conducted. All of the Material Contracts to which the Company is a party are in full force and effect, and are valid, binding, and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, or similar Laws affecting creditors' rights generally or by court-applied equitable principles. There exists no breach, default or violation on the part of the Company or, to the Company's Knowledge, on the part of any other party to any such Material Contract nor has Company received notice of any breach, default or violation. Except as expressly set forth on Schedule 2.13(d): (i) the Company has not received notice of an intention by any party to any such Material Contract that provides for a continuing obligation by any party thereto on the Closing Date to terminate such Material Contract or amend the terms thereof, other than modifications in the Ordinary Course of Business that do not adversely affect the Company and (ii) the consummation of the transactions contemplated by this Agreement will not affect the validity, enforceability and continuation of the Material Contracts on the same terms applicable to such Material Contracts as of the Closing; provided, however, that the Company and the Seller make no representations or warranties under this paragraph (d) with respect to the LLC Conversion or the effects thereof. The Company has not waived any material rights under any Material Contract. To the Company's Knowledge, no event has occurred which either entitles, or would, with notice or lapse of time or both, entitle any party to any such Material Contract (other than Company) to declare breach, default or violation under any such Material Contract or to accelerate, or which does accelerate, the maturity of any indebtedness of the Company under any such Material Contract. The Company has not received written notice or, to the Company's Knowledge, other notice that any Contract with a customer will not remain in effect after the Closing in accordance with its terms.

2.14 Litigation. Except as set forth on Schedule 2.14, there is no: (a) pending or, to the Company's Knowledge, threatened, Claim of any nature nor is there any reasonable basis for any Claim to be made, or (b) Order pending now or rendered by a Governmental Authority in the past five (5) years, in either case (a) or (b) by or against the Company, its directors/managers, officers or equity holders (provided, that any litigation involving the directors/managers, officers or equity holders of the Company must be related to the Company's business, the Equity or the Assets), the Company's business, the Equity or the Assets. The items listed on Schedule 2.14 do not and will not constitute, either individually or in the aggregate, a Material Adverse Effect. During the past five (5) years, none of the Company's officers, senior management or directors/managers have been charged with, indicted for, arrested for, or convicted of any felony or any crime involving fraud.

2.15 Financial Statements; Controls.

(a) Attached to Schedule 2.15 are correct and complete copies of: (i) the audited consolidated balance sheet, income statement and statement of cash flows of the Corporation and its Subsidiaries as of and for the fiscal years ended December 31, 2013, 2014 and 2015 (including any related notes and schedules), and (ii) the internally-prepared balance sheet, income statement and statement of cash flows of

the Corporation as of February 29, 2016 (the "Statement Date") and for the two (2) month period ended on the Statement Date (such financial statements described in clause (i) and (ii), and together with the Estimated Closing Date Balance Sheet, collectively, the "Financial Statements").

(b) The Financial Statements were prepared in accordance with the books and records of the Company, are true, correct and complete in all material respects, and present fairly and accurately in all material respects the financial condition and the results of operations of the Company as of the respective dates thereof. The Financial Statements have been prepared in accordance with GAAP, consistently applied throughout and among the periods indicated (provided, that the interim statements are subject to customary year-end adjustments and do not contain footnotes required by GAAP).

(c) The Company maintains a system of accounting established and administered in accordance with GAAP. The Company maintains accurate books and records reflecting its assets and liabilities and maintains proper and adequate internal accounting controls that provide assurance that: (i) the Company maintains no off-the-book accounts and that the Company's assets are accessible and used only in accordance with the Company's management directives, (ii) transactions are executed with management's authorization; (iii) transactions are recorded as necessary to permit preparation of the financial statements of the Company and to maintain accountability for the Company's assets; (iv) access to the assets of the Company is permitted only in accordance with management's authorization; (v) the reporting of assets of the Company is compared with existing assets at regular intervals; and (vi) accounts, notes and other receivables are periodically verified for actual amounts and recorded accurately, and proper and adequate procedures are implemented to effect the collection of accounts, notes and other receivables on a current and timely basis.

2.16 Liabilities. The Company has no, and to the Company's Knowledge, no set of circumstances exists that is reasonably likely to give rise to any, Claims, liabilities, indebtedness or obligations of any nature (whether absolute, accrued, contingent or otherwise, whether known or unknown, matured or unmatured and whether due or to become due), including Tax liabilities due (each, a "Liability" and collectively, the "Liabilities"), in each case of a type required to be reflected on a balance sheet prepared in accordance with GAAP, other than: (a) Liabilities that are accrued and reflected on the balance sheet of the Company as of the Statement Date, (b) Liabilities that are listed on Schedule 2.16, (c) Liabilities that have arisen in the Ordinary Course of Business since the Statement Date and which, individually or in the aggregate, could not reasonably be expected to have, cause or result in a Material Adverse Effect or (d) obligations to be performed after the Closing under any Contracts which are required to be or are disclosed on Schedule 2.13(a), Schedule 2.22(a) or Schedule 2.30(a)(i). The Company is not a guarantor nor is it otherwise liable for any obligation (including indebtedness) of any other Person. Any loans or advances listed on Schedule 2.16, will be repaid or waived on or prior to the Closing Date.

2.17 Tax Matters. Except as set forth in Schedule 2.17 (and identifying in such schedule the corresponding subsection set forth below to which such disclosure pertains):

(a) All Tax Returns required to have been filed by the Company have been properly prepared and timely filed. All such Tax Returns are true, correct and complete in all material respects. The Company has fully and timely paid or withheld (or caused to be fully and timely paid) all Taxes due and payable by it, whether or not shown on any Tax Return for all taxable periods through the Closing Date. No Claim has ever been made by an authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to taxation by that jurisdiction, or is or may be required to file Tax Returns in that jurisdiction.

(b) The Company has delivered to the Buyer true, correct and complete copies of all Tax Returns filed by the Company in the past four (4) years, and all examination reports and statements of deficiencies issued by any Taxing Authority with respect to any of the Company's past four (4) years.

(c) The Company has made all required estimated Tax payments sufficient to avoid any underpayment penalties with respect to Taxes required to be paid by it.

(d) The Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

(e) The Company and each Affiliate of the Company is not now and has not at any time been a member of any Affiliated Group required to join in the filing of consolidated federal income Tax Returns, and has not joined in the filing of other Tax Returns on a consolidated, combined or unitary group basis.

(f) The Company is not a party to any agreement relating to the sharing, allocation or indemnification of Taxes, or any similar Contract (collectively, "Tax Sharing Agreements"), and does not have, as a transferee or successor, by contract or otherwise, any liability for the Taxes of any Person.

(g) There are no outstanding agreements, waivers or arrangements extending the statutory period of limitations applicable to any Claim for, or the period for the collection or assessment of, Taxes due from or payable by the Company or any of the Owners with respect to the Company for any taxable period and no written or other request for any such waiver or extension is currently pending.

(h) No closing agreement pursuant to Section 7121 of the Code (or any predecessor provision) or any similar provision of any state, local or foreign Law has been entered into by or on behalf of the Company, and no Tax letter ruling has been received by the Company, which would have binding effect on the Company for any taxable year ending after the Closing Date.

(i) No Tax audit or other Tax proceeding by any Governmental Authority is pending or threatened in writing with respect to the Company, (ii) the Company has not received any written notification that such an audit or proceeding may be commenced, (iii) to the Company's Knowledge, there is no threatened proceeding referred to in (i) or (ii) above based upon personal contact with any agent of a Taxing Authority with any employee or representative of the Company, and (iv) all deficiencies for Taxes asserted or assessed against the Company have been fully and timely paid, or otherwise settled with the relevant Taxing Authority, or are properly reflected in the Financial Statements.

(j) Except for changes that may be required as a result of the transactions contemplated hereunder, the Company has not made a change in method of accounting and has not agreed to and is not required to make a change in method of accounting in its Tax Returns that would require the Company to make any adjustment to its computation of income pursuant to Section 481(a) of the Code (or any predecessor provision following the Closing), there is no application pending with any Taxing Authority requesting permission for any such change in any accounting method of the Company and no Governmental Authority has proposed in writing any such adjustment or change in accounting method and, to the Company's Knowledge, there has been no oral proposal based upon personal contact of any agent of a Governmental Authority with any employee or representative of the Company.

(k) The Company has withheld from its employees, independent contractors, creditors, equity holders and third parties and timely paid to the appropriate Taxing Authority proper and accurate amounts in all respects required to have been withheld or paid over for all periods ending on or before the Closing Date in compliance with all Tax withholding and remitting provisions of Applicable Laws and has complied in all respects with all Tax information reporting provisions of all Applicable Laws. The Company has

timely and properly withheld all required sales, use and value added Taxes and has timely remitted all such Taxes to the proper Governmental Authority in accordance with applicable Law.

(l) The Company has not filed a consent under Section 341(f) of the Code.

(m) The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(n) There are no Liens for Taxes upon the Assets, except for statutory Liens for current Taxes not yet due. To the Company's Knowledge, there exists no pending Claim relating to Taxes that, if adversely determined, would result in any Lien on any of the Assets.

(o) The Company has not entered into a transaction that is currently being accounted for under the installment method of Section 453 of the Code or similar provision of state, local or foreign Law.

(p) No property owned by the Company: (i) is property required to be treated as being owned by another Person pursuant to the provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect immediately prior to the enactment of the Tax Reform Act of 1986, (ii) constitutes "tax-exempt use property" within the meaning of Section 168(h)(1) of the Code or (iii) is "tax-exempt bond financed property" within the meaning of Section 168(g)(5) of the Code.

(q) The Company does not owe any "corporate acquisition indebtedness" within the meaning of Section 279 of the Code.

(r) Any adjustment of Taxes or taxable income of the Company made by a Taxing Authority, which is required to be reported to another Taxing Authority, has been so reported.

(s) The unpaid Taxes of the Company did not, as of the Statement Date, 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 face of the Statement Date balance sheet, and 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 Company in filing its Tax Returns. Since the Statement Date, the Company has not incurred any liability for Taxes arising from extraordinary gains or losses, as that term is used in GAAP, outside the Ordinary Course of Business.

(t) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period as a result of an open transaction disposition made on or prior to the Closing Date or prepaid amount received on or prior to the Closing Date.

(u) The Company has not 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 Sections 355 or 361 of the Code.

(v) Until the Company became a "disregarded entity" for income Tax purposes pursuant to the Reorganization, the Company had at all times since its inception been a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code and within the meaning of comparable provisions of state law. Since its inception, the Seller has at all times been an S corporation as defined in Sections 1361 and 1362 of the Code and in comparable provisions of state law. Since the Reorganization, neither the Company nor the Seller or any of the Owners has taken any action that could cause the Seller to lose its status as an S corporation as defined in Sections 1361 and 1362 of the Code and in comparable provisions

of state law, or the Company to lose its status as a "disregarded entity" for income tax purposes. The Company has never (i) acquired assets from another corporation in a transaction in which the Company's Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (ii) acquired the stock of any corporation. Neither the Company nor the Seller is subject to any built-in-gains tax under Code Section 1374 (or any corresponding provision of state or local Law).

(w) Neither the Company nor any Affiliate of the Company has: (i) consummated or participated in, and is not currently participating in, any transaction which was or is a "Tax shelter" transaction as defined in Sections 6662, 6011, 6111 or 6112 of the Code, applicable United States Treasury Regulations or other published guidance from the IRS or (ii) engaged in any transaction that could give rise to (1) a registration obligation with respect to any Person under Section 6111 of the Code or the regulations thereunder, (2) a list maintenance obligation with respect to any Person under Section 6112 of the Code or the regulations thereunder, or (3) a disclosure obligation as a "reportable transaction" under Section 6011 of the Code and the regulations thereunder.

(x) No election under Regulation §301.7701-3 has ever been filed with respect to the Company or any Affiliate of the Company.

(y) Neither the Company nor any Affiliate of the Company is a party to: (i) any deferred compensation arrangement subject to Section 409A of the Code that does not comply with the requirements of Sections 409A(b)(2), (3), and (4) of the Code or (ii) any Contract that could obligate it to indemnify any Person against any Taxes resulting from the application of Section 409A of the Code.

2.18 Insolvency Proceedings. None of the Company, the Majority Owners, the Seller, any of the Equity or the Assets is the subject of any pending, rendered or, to the Company's Knowledge, threatened insolvency proceedings of any character. None of the Company, the Majority Owners nor the Seller has made an assignment for the benefit of creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings. None of the Company, the Majority Owners nor the Seller is insolvent and none will become insolvent as a result of entering into this Agreement or performing its obligations hereunder or under any other Transaction Document.

2.19 Employee Benefit Plans; ERISA.

(a) Set forth on Schedule 2.19(a) is a true and complete list of each deferred compensation, executive compensation, incentive compensation, equity purchase or other equity-based compensation plan, employment or consulting, change in control, retention, transaction bonus or pay, severance or termination pay, holiday, vacation or other bonus plan or practice, hospitalization or other medical, dental, life insurance or death benefits, short-term or long-term disability, sick pay or other wage replacement, accidental death and dismemberment or other insurance, supplemental unemployment benefits, profit sharing, pension, or retirement plan, program, agreement, commitment or arrangement, and each other employee benefit or fringe benefit plan, program, agreement or arrangement, including each "employee benefit plan" as such term is defined under Section 3(3) of ERISA, that is sponsored, maintained or contributed to or required to be contributed to by the Company for the benefit of any current or former employee, independent contractor/consultant or director/manager of the Company, or with respect to which the Company has any liability, whether direct or indirect, actual or contingent, whether formal or informal, and whether written or oral, legally binding or not (collectively, the "Benefit Plans"). The Company does not sponsor, maintain, contribute to (or is obligated to contribute to) any Company Benefit Plan that is subject to the Laws of any jurisdiction outside of the United States.

(b) With respect to each Benefit Plan, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations that have not been accounted for by reserves, or otherwise properly footnoted in accordance with GAAP on the Financial Statements and all monies withheld for employee paychecks with respect to Benefit Plans have been transferred to the appropriate Benefit Plan within the time required under Applicable Law. The Company is not and has not in the past been a member of a "controlled group" or otherwise treated together with any other Person as a single employer for purposes of Section 414(b), (c), (m) or (o) of the Code or section 4001(b) of ERISA, nor does Company have any liability with respect to any collectively-bargained for plans, whether or not subject to the provisions of ERISA. No statement, either written or oral, has been made by the Company to any Person with regard to any Benefit Plan that was not in accordance with the Benefit Plan and that could reasonably be expected to have, cause or result in a Material Adverse Effect.

(c) Each Benefit Plan is and has been maintained, operated and administered at all times in compliance with its terms and all Applicable Laws, including ERISA and the Code in all material respects. All reports, forms and other documentation required to be filed with any Governmental Authority or furnished to employees with respect to a Benefit Plan have been timely filed or delivered and are accurate in all material respects. The Company and any ERISA Affiliate that maintains a "group health plan" within the meaning of Section 5000(b)(1) of the Code have complied in all material respects with the Patient Protection and Affordable Care Act and Section 4980B of the Code, COBRA, Part 6 of Subtitle I of ERISA and the regulations thereunder and the Company has no liability nor has any event occurred that would reasonably be expected to subject the Company to any liability, in either case directly or through an ERISA Affiliate, under the Patient Protection and Affordable Care Act or COBRA. Benefits under each Benefit Plan that is an "employee welfare benefit plan" (within the meaning of Section 3(1) of ERISA), with the exception of any flexible spending arrangements subject to Sections 125 and 105 of the Code, are provided exclusively through insurance contracts or policies issued by an insurance company, health maintenance organization, or similar organization unrelated to the Company, or any ERISA Affiliate, the premiums for which are paid directly by the Company or any ERISA Affiliate thereof, from its general assets or partly from its general assets and partly from contributions by its employees. No insurance policy or contract relating to any such Benefit Plan requires or permits a retroactive increase in premiums or payments due thereunder. No event has occurred, nor do any circumstances exist, that could reasonably be expected to give rise to any material liability or civil penalty under any Laws with respect to any Benefit Plan. Each Benefit Plan which is intended to be "qualified" within the meaning of Section 401(a) of the Code: (i) has been determined by the IRS to be so qualified (or is based on a prototype plan which has received a favorable opinion letter) during the period from its adoption to the Closing Date and (ii) its related trust has been determined to be exempt from taxation under Section 501(a) of the Code or the Company has requested an initial favorable IRS determination of qualification and/or exemption within the period permitted by Applicable Law. No fact exists which would reasonably be expected to adversely affect the qualified status of such Benefit Plans or the exempt status of such trusts. No Benefit Plan holds as an asset any interest in an annuity contract, guaranteed investment contract or any other investment or insurance contract issued by an insurance company that to the Company's Knowledge is the subject of bankruptcy, conservatorship, or rehabilitation proceedings.

(d) With respect to each Benefit Plan which covers any current or former officer, director/manager, independent contractor/consultant or employee (or beneficiary thereof) of the Company, the Company has delivered to the Buyer accurate and complete copies, if applicable, of: (i) all Benefit Plan texts and agreements and related trust agreements, insurance or annuity contracts, or other funding arrangements (including any amendments, modifications or supplements thereto); (ii) all employee communications (including all summary plan descriptions and material modifications thereto); (iii) the three (3) most recent Forms 5500, if applicable, and annual report, including all schedules thereto; (iv) the most recent annual and periodic accounting of plan assets; (v) the three (3) most recent nondiscrimination testing reports; (vi) most recent determination letter or National Office Opinion Letter received from the

IRS; (vii) the most recent actuarial valuation; and (viii) all insurance contracts, group policies or other funding agreements which implement a Benefit Plan and (ix) all communications with any Governmental Authority, a list of which (i) - (ix) is set forth in Schedule 2.19(d). The Company has not undertaken to make any amendment to a Benefit Plan or to adopt a new plan, except as set forth in Schedule 2.19(d).

(e) With respect to each Benefit Plan: (i) the Company has no liability with respect to any transaction in violation of Section 404 or 406 of ERISA; (ii) no breach of fiduciary duty has occurred; (iii) no Claim is pending, or to the Company's Knowledge, threatened (other than routine claims for benefits arising in the ordinary course of administration) relating to any Benefit Plan, the assets of any trust or other funding arrangement under any Benefit Plan or any fiduciary with respect to a Benefit Plan and there are no audits, inquiries, administrative proceedings or investigations pending or, to the Knowledge of the Company, threatened by the IRS, Department of Labor, or any other Governmental Authority with respect to any Benefit Plan; (iv) no prohibited transaction, as defined in Section 406 of ERISA or Section 4975 of the Code, has occurred, excluding transactions effected pursuant to a statutory or administration exemption; (v) all contributions and premiums due through the Closing Date have been made as required under ERISA or have been fully accrued on the Financial Statements; and (vi) the Company has no liability under section 502(l) of ERISA.

(f) No Benefit Plan is (and the Company has never had an obligation to contribute to) a "defined benefit plan" (as defined in Section 414(j) of the Code), a "multiemployer plan" (as defined in Section 3(37) of ERISA) or a "multiple employer plan" (as described in Section 413(c) of the Code) or is otherwise subject to Title IV of ERISA or Section 412 of the Code, and the Company has not incurred any liability or otherwise had any outstanding liability under Title IV of ERISA and no condition presently exists that is expected to cause such liability to be incurred. No Benefit Plan will become a multiple employer plan with respect to the Company immediately after the Closing Date. The Company does not currently maintain or contribute to, and has never maintained or contributed to or in any way directly or indirectly had any liability (whether contingent or otherwise) with respect to any "multiemployer plan," within the meaning of Section 3(37) or 4001(a)(3) of ERISA. The Company does not currently maintain and has never maintained, and is not required currently and has never been required to contribute to or otherwise participate in, a multiple employer welfare arrangement or voluntary employees' beneficiary association as defined in Section 501(c)(9) of the Code.

(g) With respect to each Benefit Plan which is a "welfare plan" (as described in Section 3(1) of ERISA): (i) no such plan provides medical or death benefits with respect to current or former employees of the Company beyond their termination of employment (other than coverage mandated by Law, which is paid solely by such employees); and (ii) there are no reserves, assets, surplus or prepaid premiums under any such plan. The Company has complied with the provisions of Section 601 et seq. of ERISA and Section 4980B of the Code. There has been no communication to employees of the Company providing services to the Company that would be expected or interpreted to promise retiree benefits to such employees.

(h) Except as set forth on Schedule 2.19(h), the consummation of the transactions contemplated by this Agreement and the other Transaction Documents will not: (i) entitle any individual to severance pay, unemployment compensation or other benefits or compensation; (ii) accelerate the time of payment or vesting, or increase the amount of any compensation due, or in respect of, any individual; (iii) result in or satisfy a condition to the payment of compensation that would, in combination with any other payment, result in an "excess parachute payment" within the meaning of Section 280G of the Code or that would not be deductible under Section 162 or 404 of the Code; or (iv) constitute or involve a prohibited transaction (as defined in Section 406 of ERISA or Section 4975 of the Code), or constitute or involve a breach of fiduciary responsibility within the meaning of Section 502(l) of ERISA or otherwise violate Part 4 of Subtitle B of Title I of ERISA.

(i) For the purposes of Applicable Law, including the Code, all independent contractors who are currently, or within the last six (6) years have been, engaged by the Company are bona fide independent contractors and not employees of the Company.

(j) Except as set forth on Schedule 2.19(j), all Benefit Plans can be amended, suspended or terminated at any time without the consent of any employees, participants, service providers, or insurance companies and without resulting in any liability to the Buyer or its Affiliates for any additional contributions, penalties, premiums, fees, fines, excise taxes or any other charges or liabilities.

(k) Each Benefit Plan that is subject to Section 409A of the Code (each, a "Section 409A Plan") as of the Closing Date is indicated as such on Schedule 2.19(k). Each Section 409A Plan has been administered in all material respects in compliance, and is in documentary compliance in all material respects with the applicable provisions of Section 409A of the Code, the regulations thereunder and other official guidance issued thereunder. The Company does not have any obligation to any employee or other service provider with respect to any Section 409A Plan that may be subject to any Tax under Section 409A of the Code and the Company does not have any material liability with respect to any misclassification of a person performing services for the Company as an independent contractor/consultant rather than as an employee. All employees of the Company that have been classified, during the last six (6) years, as exempt under the Fair Labor Standards Act and state and local wage and hour laws, are and have been properly classified.

(l) The Company, the Majority Owners and the Seller have, in the conduct of the Company's business, complied in all material respects with all Applicable Laws relating to the employment of labor, including those concerning wages, hours, safety and health, work authorization, equal employment opportunity, immigration, employee privacy, pension and welfare benefit plans (including the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder ("ERISA")), and the payment and withholding of income taxes, unemployment compensation, worker's compensation, and right to know and social security contributions and similar taxes, and the Company is not liable for any arrearages of wages or any tax penalties due to any failure to comply with any of the foregoing.

2.20 Insurance.

(a) Schedule 2.20(a) lists all insurance policies (by policy number, insurer, location of property insured, annual premium, and expiration date) held by the Company relating to the Company, any of the Assets and the business, properties and directors/managers, officers and employees of the Company, copies of which have been delivered to the Buyer. Each such insurance policy: (i) is legal, valid, binding, enforceable (except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles) and in full force and effect as of the Closing, and (ii) to the Company's Knowledge, there is no existing default or event which with the giving of notice, lapse of time or both, would constitute a default, except where the existence of such default would not be reasonably expected to be material to the Company. In the three (3) year period ending on the Closing Date, the Company has not been denied insurance coverage for any reason. The Company does not have any self-insurance or co-insurance programs. In the three (3) year period ending on the Closing Date, the Company has not received any notice from, or on behalf of, any insurance carrier relating to or involving any adverse change or any change other than in the Ordinary Course of Business, in the conditions of insurance, any refusal to issue an insurance policy or non-renewal of a policy, or requiring or suggesting material alteration of any of the Assets, purchase of additional equipment or material modification of any of the Company's methods of doing business. The Company has not made any claim against an insurance policy as to which the insurer is denying coverage.

(b) Schedule 2.20(b) identifies each individual insurance Claim in excess of $10,000 made by the Company in the past five (5) years. The Company has reported to its insurers all Claims and pending circumstances that would reasonably be expected to result in a Claim, except where such failure to report such a Claim would not be reasonably likely to be material to the Company. To the Company's Knowledge, no event has occurred, and no condition or circumstance exists, that would reasonably be expected to (with or without notice or lapse of time) give rise to or serve as a basis for the denial of any such insurance Claim.

2.21 Environmental Matters. There are no Claims pending or, to the Company's Knowledge, threatened against any of the Company, any of the Assets or the Seller under or relating to Environmental Laws including those that involve or relate to Environmental Conditions, Environmental Noncompliance or the release, use, disposal or arranging for disposal of any Hazardous Materials on or from any real property constituting or connected with the Leased Premises or any other real property or facility formerly owned, leased or used by the Company. There are no Hazardous Materials that have been released or are being stored or are otherwise present on, under any real property constituting or connected with the Leased Premises, and Hazardous Materials have not been released, stored or are otherwise present on, under or about any real property formerly owned, leased or operated by the Company, in each case based on actions or omissions by the Company. Each of the Leased Premises, during the period it was leased by the Company, has been maintained in, and the Company is and has at all prior times otherwise been in, compliance with all applicable Environmental Laws. The Company has not disposed of, or arranged to dispose of, Hazardous Materials in a manner or to a location that could reasonably be expected to result in liability to the Company under or relating to Environmental Laws. The Company has no environmental audits, reports or other material environmental documents relating to the Company's past or current properties, facilities or operations. The Company has not assumed, contractually or by operation of Law, any liabilities or obligations under any Environmental Laws. The Company is not, as of the Closing, and has not been at any time since the date of its inception, a Response Action Contractor.

2.22 Real Estate.

(a) Schedule 2.22(a) contains a complete and accurate list of all premises leased or subleased or otherwise used or occupied by the Company for the operation of the Company's business (the "Leased Premises"), and of all leases, lease guaranties, agreements and documents related thereto, and all amendments, modifications or supplements thereto (collectively, the "Leases"). The Company has made available to the Buyer a true and complete copy of each of the Leases, and in the case of any oral Lease, a written summary of the material terms of such Lease. The Leases are valid, binding and enforceable (except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles) in accordance with their terms and are in full force and effect. No event has occurred which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default on the part of the Company, the Majority Owners or the Seller under any of the Leases, and the Company has not received notice of any such condition. The Company has no Knowledge of the occurrence of any event which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default by any other party under any of the Leases. The current annual rent and term under each Lease are as set forth on Schedule 2.22(a). Schedule 2.22(a) separately identifies all Leases for which consents or waivers must be obtained on or prior to the Closing Date (or which have been obtained) in order for such Leases to continue in effect according to their terms after the Closing Date. The Company has not waived any rights under any Lease that would be in effect on or after the Closing Date. No event has occurred which either entitles, or would, on notice or lapse of time or both, entitle the other party to any Lease with the Company to declare a default or to accelerate, or which does accelerate, the maturity of any indebtedness of the Company under any Lease. The Leased Premises constitutes all of the real property required to conduct the business of the Company as currently conducted and presently proposed to be conducted and the Company currently occupies all of the Leased Premises for

the operation of its business. There are no other Leases affecting the Leased Premises or to which the Company is bound other than those identified on Schedule 2.22(a). The Leased Premises are: (i) in good operating condition and repair, subject to ordinary wear and tear (consistent with the age of such items); (ii) not in need of maintenance or repair except for ordinary routine maintenance and repair; and (iii) to the Company's Knowledge, are structurally sound with no known defects and in conformity with all Applicable Laws relating thereto currently in effect.

(b) Owned Real Property. The Company has never owned any real property.

2.23 No Other Agreement To Sell. Other than the sale of Assets in the Ordinary Course of Business (which Assets are not material individually or in the aggregate), neither the Company, the Majority Owners nor the Seller has any legal obligation, absolute or contingent, to any other Person (other than the Buyer under this Agreement) to sell, encumber or otherwise transfer the Company, the Equity, any of the Assets or the Company's business (in whole or in part), or effect any merger, consolidation, combination, equity exchange, recapitalization, liquidation, dissolution or other reorganization involving the Company, or to enter into any agreement with respect thereto.

2.24 Transactions with Certain Persons. Except as set forth on Schedule 2.24(a), no officer or director/manager of the Company, nor the Seller, nor any of the Majority Owners, nor any immediate family member or Affiliate of any of the foregoing (whether directly or indirectly through an Affiliate of such Person), is presently, or within the past three (3) years has been, a party to any transaction with the Company, including any Contract or other arrangement: (a) providing for the furnishing of services by (other than as officers, directors/managers or employees of the Company); (b) providing for the rental of real or personal property from; or (c) otherwise requiring payments to (other than for services or expenses as directors/managers, officers or employees of the Company in the Ordinary Course of Business) any such individual or any Affiliate of the Company. Other than Contracts listed on Schedule 2.24(a), the Company does not have outstanding any Contract or other arrangement or commitment with the Seller, the Majority Owners, or any director, manager, officer, employee, trustee or beneficiary of the Company, the Seller or the Majority Owners, and no such Person owns any real or personal, or right, tangible or intangible (including Intellectual Property) which is used in the Company's business. Except as set forth on Schedule 2.24(a), the Assets do not include any receivable or other obligation from the Seller, the Majority Owners or any director, manager, officer, employee, trustee or beneficiary of the Company or the Seller, or any immediate family member or Affiliate of any of the foregoing, and the liabilities of the Company do not include any payable or other obligation or commitment to any such Person. Schedule 2.24(b) identifies all Contracts, arrangements or commitments set forth on Schedule 2.24(a) that cannot be terminated upon sixty (60) days or less notice by the Company without cost or penalty.

2.25 Affiliates. Except for the Seller's ownership interest in the Company or as set forth on Schedule 2.25, neither the Company nor any Affiliate of the Company owns any capital stock or other equity securities of or any debt interest in any other Person or has any other type of ownership interest in any other Person that does business with the Company. Schedule 2.25 sets forth the names, addresses, officers, directors, managers, co-owners, relationship with the Company, and type and percentage of capital stock or other equity securities of or any debt interest in any Affiliate of the Company. Neither the Company, the Seller nor any of the Majority Owners, nor to the Company's Knowledge, any director, manager, officer or Affiliate of the Company, the Seller or any of the Majority Owners, or any immediate family member of a director, manager, officer or Affiliate of the Company, the Seller or any of the Majority Owners, owns, directly or indirectly, any interest in any Person that engages in a business similar or competitive to the business of the Company, other than ownership of one percent (1%) or less of the outstanding equity securities of a publicly-traded company.

2.26 Employees and Contractors.

(a) Schedule 2.26(a) hereto sets forth a complete and accurate list of all employees of the Company as of the Closing Date: (i) showing for each as of that date the employee's name, job title or description, salary level, including any bonus, commission, deferred compensation or other remuneration arrangements paid or accrued, (ii) showing any bonus, commission or other remuneration other than salary paid during the Company's fiscal year ended December 31, 2015, and (iii) showing any wages, salary, bonus, commission or other compensation due and owing to each employee for the fiscal year ending December 31, 2016. Except as set forth on Schedule 2.26(a): (A) no such employee is a party to a written employment Contract with the Company and each is employed "at will" and (B) the Company has timely paid in full to all such employees all wages, salaries, commission, bonuses and other compensation due to such employees, including overtime compensation, and there are no severance payments which are or could become payable by the Company to any such employees under the terms of any written or, to the Company's Knowledge, oral agreement, or commitment or any Law, custom, trade or practice. Except as set forth in Schedule 2.26(a), each such employee has entered into the Company's standard form of employee non-disclosure, inventions and restrictive covenants agreement with the Company, a copy of which is attached to Schedule 2.26(a). All employees of the Company that have been classified, during the last five (5) years, as exempt under the Fair Labor Standards Act and state and local wage and hour laws, are and have been properly classified. The Company is not a joint employer or co-employer for any third party with which it has contracted for labor during the last five (5) years.

(b) Schedule 2.26(b) contains a list of all independent contractors currently engaged by the Company, along with the position, date of retention and rate of remuneration, most recent increase (or decrease) in remuneration and amount thereof, for each such Person. Except as set forth on Schedule 2.26(b), none of such independent contractors is a party to a written Contract with the Company. Each such independent contractor has entered into customary covenants regarding confidentiality and assignment of inventions and copyrights in such Person's agreement with the Company, a copy of which is attached to Schedule 2.26(b). For the purposes of Applicable Law, including the Code and the Fair Labor Standards Act, all independent contractors who are currently, or within the last five (5) years have been, engaged by the Company are bona fide independent contractors and not employees of the Company. Except as noted on Schedule 2.26(b), each independent contractor engaged by the Company is terminable on not more than thirty (30) days' notice, without any obligation of the Company to pay a termination fee.

2.27 Labor Relations. Except as disclosed on Schedule 2.27: (a) the Company is not a party to any collective bargaining agreement or other Contract with any group of employees, labor organization or other representative of any of the employees of the Company and (b) to the Company's Knowledge, there exist no activities or proceedings of any labor union or other party to organize or represent such employees. There has not occurred or, to the Company's Knowledge, been threatened any strike, slow-down, picketing, work-stoppage, or other similar labor activity with respect to any such employees. Schedule 2.27 sets forth all unresolved labor and employment law controversies (including unresolved grievances and age or other discrimination Claims), if any, between the Company and Persons employed by or providing services to the Company. To the Company's Knowledge, no officer or employee of the Company has any current plan to terminate his or her employment with the Company. In the last two (2) years, the Company has not discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against any employee who had previously submitted to his or her supervisor or anyone else in a position of authority with the Company any written or oral complaint, concern or allegation regarding any alleged unlawful or unethical conduct by the Company or its employees.

2.28 Board of Directors/Managers and Equity Holder Approval. Immediately prior to the Reorganization, the Board of Directors and stockholders of the Company duly and properly approved the Reorganization in accordance with Applicable Law. The Board of Directors/Manager(s) (or equivalent) of the Company has determined that the transactions contemplated by this Agreement are in the best interests of the Company and its stockholders/members, and has adopted a resolution to such effect which authorized

the Company to enter into this Agreement and the Transaction Documents. The Company has provided the Buyer with true and correct copies of all such board of directors/manager(s) (or equivalent) proceedings relating to this Agreement and the transactions contemplated hereby, which are in full force and effect as of the Closing Date. No further approval on behalf of the Company or any of its Affiliates (other than the execution of this Agreement) is required in connection with the transactions contemplated by this Agreement.

2.29 Brokers. Except as set forth on Schedule 2.29, no broker, finder or investment banker or other Person is directly or indirectly entitled to any brokerage, finder's or other contingent fee or commission or any similar charge in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company, the Majority Owners or the Seller, or any of their respective Affiliates.

2.30 Government Contract and Regulatory Matters.

(a) Lists of Government Contracts and Government Bids.

(i) Schedule 2.30(a)(i) sets forth as of the Closing a current, complete and accurate list of each Government Contract the period of performance of which has not yet expired or been terminated and for which final payment has not yet been received (collectively, the "Current Government Contracts"). Each Current Government Contract is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms against all parties thereto. Each Current Government Contract was awarded in compliance with Applicable Law. The Company has not received notice that any Current Government Contract is the subject of bid or award protest proceedings and, to the Company's Knowledge, no such Current Government Contract is reasonably likely to become the subject of bid or award protest proceedings. The Company has delivered to the Buyer complete and correct copies of each such Current Government Contract with a total ceiling cost or price in excess of $100,000, including each purchase order, task order or delivery order that individually has a total expected value in excess of $100,000 issued under such Current Government Contracts.

(ii) Schedule 2.30(a)(ii) sets forth a current, complete and accurate list of each Government Contract the period of performance of which has expired or been terminated, and which is still either subject to audit in accordance with its terms or for which final payment has not yet been received. The Company has made available to the Buyer complete and correct copies of all such Government Contracts.

(iii) Schedule 2.30(a)(iii) sets forth a current, complete and accurate list of each pending Government Bid. The Company has made available to the Buyer complete and correct copies of all such pending Government Bids.

(iv) Schedule 2.30(a)(iv) sets forth a current, complete and accurate list of each Government Vendor Subcontract for which payments by the Company thereunder are reasonably expected to exceed $100,000 during the one-year period immediately after the Closing Date. The Company has delivered to the Buyer complete and correct copies of all such Government Vendor Subcontracts.

(v) Except as set forth on Schedule 2.30(a)(v), there exists no Current Government Contract or pending Government Bid: (A) in connection with which the Company represented to the applicable Governmental Authority that the Company qualified as a Small Business Concern, a Small Disadvantaged Business, an 8(a) concern, a Service-Disabled Veteran-Owned Small Business Concern, a Veteran-Owned Small Business Concern, a Historically Underutilized Business Zone Small Business Concern, a Woman-Owned Small Business Concern, a "protégé" under a mentor-protégé agreement or

program, or any other preferential status (collectively, a "Preferred Bidder Status"); or (B) in the case of a Government Contract, that the Company would not have been eligible or invited to submit a bid or receive but for its Preferred Bidder Status.

(b) Representations and Warranties Regarding Government Contracts and Government Bids.

(i) Except as set forth on Schedule 2.30(a)(v), no Current Government Contract was, at the time of award or currently, dependent upon the Company having any Preferred Bidder Status, and no pending Government Bid required the Company to certify or represent that it had Preferred Bidder Status either to be eligible for award or to receive credit under the evaluation criteria of the Solicitation to which the Government Bid relates. The Company has never submitted a Government Bid or been awarded a Government Contract which the Company was ineligible to be awarded due to its business classification at the time such Government Bid was submitted in connection with a procurement reserved or set-aside for companies having a Preferred Bidder Status.

(ii) Except as set forth on Schedule 2.30(b)(ii), no Current Government Contract is required by its terms or Applicable Law to be terminated by a Governmental Authority as a result of the consummation of the transactions contemplated by this Agreement; provided, however, that the Company and the Seller make no representations or warranties under this paragraph (ii) with respect to the LLC Conversion or the effects thereof. The Company has no Knowledge that any of the options in the Company's Government Contracts will not be exercised.

(iii) Except as set forth on Schedule 2.30(b)(iii), with respect to each Government Contract and pending Government Bid:

(A) The Company has complied in all material respects with all terms and conditions of each Government Contract, including all clauses, provisions and requirements incorporated expressly by reference or by operation of Law therein and including any requirements relating to the charging of prices or costs, minimum qualifications of personnel, warranties, Industrial Funding Fees and Price Reduction or Most Favored Customer clauses. No event has occurred which, with the passage of time or the giving of notice or both, would result in a condition of default or breach of a Government Contract by the Company.

(B) The Company has complied in all material respects with all Applicable Laws pertaining to each Government Contract or Government Contract Bid, including the following Laws to the extent applicable: the Truth in Negotiations Act of 1962, the Service Contract Act of 1965, the Office of Federal Procurement Policy Act, the Federal Property and Administrative Services Act, the FAR, the Cost Accounting Standards, the International Traffic in Arms Regulation or other export control Laws, the Buy America Act or other domestic preference Laws and any other Applicable Law. No event has occurred which, with the passage of time or the giving of notice or both, would result in a violation of any Applicable Law.

(C) All representations and certifications made, acknowledged or set forth in or pertaining to each Government Contract or Government Bid were current, accurate and complete as of their effective date, and all such representations and certifications have continued to be current, accurate and complete to the extent required by the terms of a Government Contract or Applicable Law. The Company has never submitted a Government Bid or been awarded a Government Contract based upon misrepresentations or inaccuracies in representations and certifications executed in connection therewith or contained in the Company's Online Representations and Certifications Application database.

(D) All invoices and Claims for payment, reimbursement or adjustment, including requests for progress payments and provisional payments, submitted by or on behalf of the Company in connection with a Government Contract were current, accurate and complete as of their applicable submission dates.

(E) All certified cost or pricing data and data other than certified cost or pricing data submitted by or on behalf of the Company in connection with a Government Contract or Government Bid were current, accurate and complete as of the certification date.

(F) The Company has maintained systems of internal controls, including quality control systems, cost accounting systems, estimating systems, purchasing systems, proposal systems, billing systems and material management systems, that are in compliance in all material respects with all requirements of the Current Government Contracts and of Applicable Laws.

(G) Within the past six (6) years, no Government Contract has been terminated for convenience or default.

(H) The Company has not received any written cure notice or show cause notice regarding performance of a Government Contract or any written or oral notice of, Claim for, or assertion of, a condition of default, breach of contract, or material violation of Applicable Law, in connection with a Current Government Contract or pending Government Bid.

(I) In the last three (3) years, there has not been any withholding or setoff of any payments by a Governmental Authority or prime contractor or higher-tier subcontractor nor, to the Company's Knowledge, has there been any attempt to withhold or setoff, any payments due under any Government Contract on any basis, including the basis that a cost incurred or invoice rendered by the Company was questioned or disallowed by a Governmental Authority, prime contractor or higher-tier subcontractor or any of their audit representatives, nor is there any basis for any such withhold or setoff.

(J) The Company has not performed any activities under any Government Contract, and to the Company's Knowledge no other facts exist, that would create or result in the Company having an Organizational Conflict of Interest ("OCI") as defined in FAR subpart 9.5 and/or any other Applicable Laws or term of any Current Government Contract.

(K) To the Company's Knowledge, none of the Company's subcontractors, teaming partners, consultants, agents or representatives has violated any Applicable Law in connection with any Government Contract or any Government Bid for which the Company may have liability or suffer any other adverse consequences.

(L) Except as set forth on Schedule 2.30(b)(iii)(L), no Current Government Contract has, to date, or is currently projected to have, fully burdened costs incurred in excess of the Current Government Contract fixed price, or, in the case of flexibly-priced or cost-reimbursement Contracts, fully burdened costs incurred in excess of the ceiling price or funded amount of the Current Government Contract.

(M) The Company is not subject to any forward pricing rate agreements as described in FAR section 15.407-3 or FAR subpart 42.17.

(N) The Company has not received any adverse or negative past performance evaluations or ratings pertaining to any Government Contract within the past three (3) years.

(O) The Company has not disclosed or disseminated to another party any information required to be kept confidential by its Government Contracts, in violation of the terms of the applicable Government Contract.

(c) Investigations, Audits and Internal Controls. Except as set forth on the Schedule 2.30(c), with respect to any Government Contract or Government Bid:

(i) There is no pending Claim or reasonable basis to give rise to any Claim against the Company for fraud or under the United States civil or criminal False Claims Acts, the United States Procurement Integrity Act, or other Applicable Law.

(ii) There have been no document requests, subpoenas, search warrants or civil investigative demands addressed to or requesting information involving the Company, or any of its officers, employees, Affiliates, agents or representatives in connection with or related to any Government Contract or Government Bid.

(iii) Neither the Company nor any predecessors, officers, directors/managers, employees, Affiliates, agents or representatives of the Company has been under administrative, civil or criminal investigation, indictment or criminal information, or audit by a Governmental Authority (other than routine audits by a Government Audit Agency in the Ordinary Course of Business) with respect to any Government Contract, Government Bid or Applicable Law, including any audit relating to a suspected, alleged or possible violation of United States civil or criminal False Claims Acts or the United States Procurement Integrity Act, provision of defective or non-compliant products or services, mischarging of prices or costs, misstatements of fact, or other acts, omissions or irregularities relating to any Government Contract or Government Bid.

(iv) Neither the Company nor, to the Company's Knowledge, any other Person, has conducted any internal audit, review or inquiry (whether or not any outside legal counsel, auditor, accountant or investigator was engaged) with respect to any suspected, alleged or possible violation of any Government Contract, Government Bid or Applicable Law.

(v) The Company has not made, and is not and has never been required to make, any disclosure to a Governmental Authority under FAR Subpart 3.1003 or FAR clause 52.203-13.

(vi) Neither the Company nor, to the Company's Knowledge, any predecessor of the Company has made a voluntary disclosure to any Governmental Authority with respect to any alleged suspected, alleged or possible breach, violation, irregularity, mischarging, misstatement or other act or omission arising under or relating to any Government Contract or Government Bid.

(vii) The practices and procedures used by the Company in estimating costs and pricing proposals and accumulating, recording, segregating, reporting and invoicing costs in connection with a Government Contract or Government Bid are in compliance with Applicable Laws, including FAR Part 31 and all applicable Cost Accounting Standards and related regulations, to the extent such requirements are applicable, and no audit by a Governmental Authority (including any Government Audit Agency) has questioned such costs or identified any other failure to comply with contractual requirements or Applicable Law.

(viii) Schedule 2.30(c)(viii) lists each draft or final written audit report received by the Company during the past three (3) years issued by any Governmental Authority (including the Government Audit Agency or Office of Inspector General) with respect to any Government Contract, Government Bid

or any direct or indirect cost or other accounting practice of the Company. The Company has delivered to the Buyer correct and complete copies of each such report.

(d) Debarment, Suspension and Exclusion.

(i) Neither the Company nor any Affiliates, officers, directors/managers, employees, agents, or any "Principal" (as defined in FAR 2.101) of the Company have been the subject of a debarment, suspension or exclusion from participation in programs funded by any Governmental Authority or in the award of any Government Contract, nor are any of them listed on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs ("Listing"), nor to the Company's Knowledge has any such debarment, suspension or exclusion proceeding or proposed Listing been initiated in the past five (5) years.

(ii) The Company has not been determined by a Governmental Authority to be non-responsible or ineligible for award of a Government Contract within the past three (3) years.

(e) Claims, Disputes, Requests for Equitable Adjustment and Financing. With respect to Government Contracts and Government Bids:

(i) The Company does not have any outstanding requests for equitable adjustment or Claims asserted by or against a Governmental Authority or any prime contractor, subcontractor, vendor or other third party arising under or relating to a Government Contract or Government Bid.

(ii) There are no outstanding disputes between the Company, on the one hand, and any Governmental Authority or any prime contractor for which the Company serves as a subcontractor, on the other hand, under the Contract Disputes Act or any other Applicable Law governing disputes arising under such Government Contracts.

(iii) There are no outstanding disputes between the Company, on the one hand, and any prime contractor, subcontractor or vendor, on the other hand, arising under or relating to any such Government Contract or Government Bid.

(iv) There are no financing arrangements or assignments of proceeds with respect to any Government Contract other than as provided in the Company's commercial bank or financing documents set forth on Schedule 2.13(a).

(f) Backlog and Government Property.

(i) Schedule 2.30(f)(i) sets forth for each Government Contract having backlog as of March 31, 2016, the dollar amounts of Funded Backlog and Unfunded Backlog of the Company thereunder as of such date (calculated by the Company consistent with past practice) and the name of the customer. All of the Contracts constituting the backlog of the Company: (A) were entered into in the Ordinary Course of Business and (B) management of the Company believes in good faith that such Contracts are capable of performance in accordance with the terms and conditions of each such Contract by the Company without a total Contract loss (without consideration of general and administrative expenses). For purposes of this Agreement, "Funded Backlog" means the total amount of funding allotted to a Government Contract minus the total amount of direct costs, indirect costs and profit or fee allocable to such Government Contract, and the term "Unfunded Backlog" means the total price or estimated cost of a Government Contract minus the total amount of direct costs, indirect costs and profit or fee allocable to such Government Contract.

(ii) Schedule 2.30(f)(ii) identifies all personal property, equipment and fixtures loaned, bailed or otherwise furnished to the Company by or on behalf of a Governmental Authority (the

"Government Furnished Items"), the current locations thereof and the Government Contract pursuant to which such Government Furnished Items were issued. The Company has complied in all material respects with all of its obligations relating to the Government Furnished Items and, upon the return thereof to any Governmental Authority in the condition thereof on the Closing would have no liability with respect thereto.

(g) Security Clearances. The Company does not possess any facility security clearances, and no such clearances are required to perform the Government Contracts of the Company. The employees of the Company possess all United States Government security clearances required to perform the applicable Government Contracts of the Company ("Personnel Security Clearances") and: (i) the subcontractor(s) and independent contractor(s) of the Company possess all necessary security clearances required to perform the applicable Government Contracts of the Company; (ii) except to the extent disclosure thereof is prohibited by Applicable Law, Schedule 2.30(g) sets forth a true and complete list of all Personnel Security Clearances (by category only) held by the employees of the Company to the extent held or required in connection with the conduct of the business of the Company; (iii) all requisite Personnel Security Clearances are valid and in full force and effect; and (iv) the Company is in compliance with all material requirements of the National Industrial Security Program Operating Manual, the IRS Revenue Manual Part 10, and any other similar requirements of any Governmental Authority.

(h) Export Control. The Company has not been (and has not been required by Applicable Law to be) registered with or hold any license from the U.S. Department of State (Office of Defense Trade Controls) or the U.S. Department of Commerce relating to the import, export or re-export of products, technology, software, services or other information from the United States, and the Company is not required to transfer, obtain or hold any such license to authorize the continuation of its current importing, exporting or other business activities. The Company has not been the subject of an investigation or inquiry or subject to civil or criminal penalties imposed by any Governmental Authority or made a voluntary disclosure with respect to violations of Applicable Laws relating to the import, export or re-export of products, technology, software, services or other information from the United States. The Company has not manufactured "defense articles," exported "defense articles" or furnished "defense services" or "technical data" to foreign nationals in the United States or abroad, as those terms are defined in 22 Code of Federal Regulations Sections 120.6, 120.9 and 120.10, in violation of Applicable Law.

(i) Government Relations. Neither the Company nor, to the Company's Knowledge, any officers, directors/managers, employees or agents of the Company (or members, distributors, representatives or other persons acting on the express, implied or apparent authority of the Company), have paid, given or received or have offered or promised to pay, give or receive, any bribe or other unlawful payment of money or other unlawful thing of value, any unlawful discount, or any other unlawful inducement, to or from any Person or Governmental Authority in the United States or elsewhere in connection with or in furtherance of the Company's business, including any offer, payment or promise to pay money or other thing of value: (i) to any foreign official, political party (or official thereof) or candidate for political office for the purposes of influencing any act, decision or omission in order to assist the Company in obtaining business for or with, or directing business to, any person, or (ii) to any Person, while knowing that all or a portion of such money or other thing of value will be offered, given or promised to any such official or party for such purposes. The Company's business is not in any manner dependent upon the making or receipt of such payments, discounts or other inducements. The Company has not otherwise taken any action that would cause the Company to be in violation of the Foreign Corrupt Practices Act of 1977 (the "FCPA"), as amended, the Anti-Kickback Act of 1986 ("Anti-Kickback Act"), Laws restricting the payment of contingent fee arrangements, or any Applicable Laws of similar effect. There is no charge, proceeding or, to the Company's Knowledge, investigation by any Governmental Authority with respect to a violation of the FCPA or Anti-Kickback Act that is now pending or, to the Company's Knowledge, has been asserted or threatened with respect to the Company. The Company has not, in the past six (6) years, made any voluntary disclosure with respect to a possible violation of the FCPA or Anti-Kickback Act.

(j) Trade Compliance Laws and Customs Laws.

(i) The Company, its Affiliates, and their respective officers, directors, managers, employees and agents have complied in all material respects at all times, and are in compliance in all material respects, with all applicable Trade Compliance Laws. The Company and its Affiliates: (i) have not directly or indirectly, exported, re-exported, sold or otherwise transferred (including transfers to non-U.S. persons located in the United States) any supplies, software, technology or services subject to Trade Compliance Laws in violation of Trade Compliance Laws; (ii) where required by Law, have notified recipients of such supplies, software, technology or services of the potential applicability of Trade Compliance Laws to the recipients' use or other disposition thereof; and (iii) have not engaged in any other transactions, or otherwise dealt, with any Person with whom U.S. persons are prohibited from dealing under Trade Compliance Laws, including, for example, any Person designated by the Office of Foreign Assets Control on the list of Specially Designated Nationals and Blocked Persons.

(ii) There is no charge, proceeding or, to the Company's Knowledge, investigation by any Governmental Authority with respect to a violation of any applicable Trade Compliance Laws that is now pending or, to the Company's Knowledge, has been asserted or threatened with respect to the Company.

(iii) The Company is in compliance with all applicable U.S. and non-U.S. customs Laws and regulations ("Customs Laws"), including any export or import declaration filing, payment of customs duties, compliance with import quotas, import registration or any other similar requirements related to the exportation or importation of supplies or services by the Company. There is no charge, proceeding or, to the Company's Knowledge, investigation by any Governmental Authority with respect to a violation of any applicable Customs Laws that is now pending or, to the Company's Knowledge, threatened with respect to the Company.

(iv) The Company has not, in the past six (6) years, made any voluntary disclosure with respect to a possible violation of Trade Compliance Laws or Customs Laws to any Governmental Authority.

(k) Intellectual Property Under Government Contracts.

(i) The Company is not using any Intellectual Property developed or received under any Government Contract for purposes outside of the scope of that Government Contract without having obtained the necessary and appropriate prior permission of the cognizant Governmental Authority or prime contractor, subcontractor, vendor, or other authorized Person.

(ii) The Company has taken all steps required under any Government Contracts or Applicable Law to protect its rights in and to any Intellectual Property owned by the Company and has included the proper and required restrictive legends on all copies of any material Intellectual Property delivered in connection with a Government Contract so as to restrict the Government Authority's rights in the deliverables to the extent permitted under the applicable Government Contracts and, other than as required under any Government Contract, the Company is not obligated to provide a license to any Governmental Authority to use or disclose any of the Company's Intellectual Property used in connection with such Government Contract.

(iii) None of the Company's Government Contracts restricts the Company from selling, licensing, or otherwise providing its owned Intellectual Property, to the extent material to the Company, to another party.

(l) Defense Base Act. The Company is and has been in compliance in all material respects with all applicable Defense Base Act requirements and there are no pending claims arising under or relating to the Defense Base Act and, to the Company's Knowledge, there are no facts or circumstances that could reasonably be expected to give rise to any such claim.

2.31 Bank Accounts. Schedule 2.31 lists the names and locations of all banks and other financial institutions with which the Company maintains an account (each, a "Bank Account"), or at which a Bank Account is maintained to which the Company has access as to which deposits are made on behalf of the Company, in each case listing the type of Bank Account, the Bank Account number therefor, and the names of all Persons authorized to draw thereupon or have access thereto and lists the locations of all safe deposit boxes used by the Company. All Cash in such Bank Accounts is held on demand deposit and is not subject to any restriction or limitation as to withdrawal. Except as set forth on Schedule 2.31, all accounts receivable described in Section 2.11 is paid or payable into the Bank Accounts.

2.32 Suppliers and Customers; Products.

(a) Schedule 2.32 lists, by dollar volume paid for the twelve (12) months ended on February 29, 2016, the ten (10) largest suppliers of goods or services and the ten (10) largest customers of the Company. The relationships of the Company with such suppliers and customers are good commercial working relationships and: (i) no Person listed on Schedule 2.32 within the last twelve (12) months has, to the Company's Knowledge, threatened to cancel or otherwise terminate, or has provided written notice, or to the Company's Knowledge, other notice of an intent to cancel or otherwise terminate, any relationships of such Person with the Company, (ii) no such Person has during the last twelve (12) months decreased materially or, to the Company's Knowledge, threatened to stop, decrease or limit materially, or has provided written notice, or to the Company's Knowledge, other notice of an intent to modify materially its relationships with the Company or intends to stop, decrease or limit materially its products or services to the Company or its usage or purchase of the products or services of the Company, (iii) to the Company's Knowledge, no Person listed on Schedule 2.32 has provided written notice, or to the Company's Knowledge, other notice of an intent to refuse to pay any amount due to the Company or seek to exercise any remedy against the Company and (iv) the Company has not within the past year been engaged in any material dispute with any Person listed on Schedule 2.32.

(b) Company Warranties. No Person has any valid Claim, or valid basis for any Claim, against the Company under any Applicable Law relating to unfair competition, false advertising or arising out of product or service warranties, guarantees, specifications, service level guarantees, manuals or brochures or other advertising materials and no such Claim is currently pending or, to Company's Knowledge, threatened against the Company.

2.33 Subsequent Events . Except as set forth on Schedule 2.33 and except for the transactions contemplated by this Agreement, since December 31, 2015, the Company has conducted its business only in the Ordinary Course of Business, has made expenditures (including capital expenditures) consistent with past practices, and there has not been any event, occurrence, development or circumstances, including any change in the business, financial condition, operations, results of operations, assets, customer, supplier or employee relations which, individually or in the aggregate, has had, or would reasonably be expected to have, cause or result in, a Material Adverse Effect on the Company. Without limitation of the foregoing and except as set forth on Schedule 2.33 or as contemplated by this Agreement since December 31, 2015, the Company has not taken any of the following actions:

(i) sold, leased, licensed, exchanged, mortgaged, pledged, transferred or otherwise disposed of any of the Assets other than in the Ordinary Course of Business;

(ii) other than in connection with the transactions contemplated by this Agreement: (A) redeemed, repurchased or otherwise reacquired any of its equity securities or any securities or obligations convertible into or exchangeable for any of its equity securities, or any Options; (B) liquidated, dissolved or effected any reorganization or recapitalization; or (C) split, combined or reclassified any of its equity securities or issued or authorized or proposed the issuance of any other securities in respect of, in lieu of, or in substitution for, its equity securities;

(iii) submitted any new Government Bid which, if accepted, would be expected to result in a loss to the Company, or would result in a Government Contract with a backlog value in excess of $100,000;

(iv) accelerated, terminated, made material modifications outside of the Ordinary Course of Business to, or canceled any Material Contract (or series of related Material Contracts);

(v) made any capital expenditure, capital addition or capital improvement (or series of related capital expenditures, additions or improvements) outside the Ordinary Course of Business;

(vi) made any capital investment in, any loan to, or any acquisition of the securities or assets of, any other Person (or series of related capital investments, loans, and acquisitions) other than routine advances to employees for business expenses in the Ordinary Course of Business;

(vii) issued, incurred or guaranteed any obligation for borrowed money or capitalized lease obligations, whether or not evidenced by a note, bond, debenture or similar instrument, or entered into any "keep well" or other agreement to maintain the financial condition of another Person or make any loans, or advances of borrowed money or capital contributions to, or equity investments in, any other Person or issued or sold any debt securities, except in the Ordinary Course of Business under existing loan agreements or capitalized leases;

(viii) made or authorized any change in its Charter or other Governing Documents (other than in connection with the Reorganization);

(ix) proposed or approved the issuance, pledge, delivery, award, grant or sale (including the grant of any encumbrances) of, any of its equity securities (including equity securities held in treasury), or any Options, or granted or otherwise issued the same;

(x) declared, set aside, or paid any dividend or made any distribution with respect to its equity securities (whether in cash or in kind), except for dividends and/or distributions of cash;

(xi) adopted (or entered into) any new or amended, modified or terminated any existing, in any material respect, bonus, profit sharing, incentive, retention, severance, employee benefit or other plan, Contract, loan, or commitment for the benefit of any of its directors, managers, officers and employees (or take any such action with respect to any other Benefit Plan);

(xii) other than in the Ordinary Course of Business, granted or announced any increase in compensation or benefits payable to any of its directors, officers, employees, consultants or independent contractors, or granted any severance or termination pay;

(xiii) made or changed any Tax election, changed any annual Tax accounting period, changed any method of Tax accounting, entered into any closing agreement with respect to any Tax, settled any Tax claim or any assessment or surrendered any right to claim a Tax refund;

(xiv) amended, canceled, compromised, waived or released any right or Claim (or series of related rights and Claims) outside the Ordinary Course of Business, and did not accelerate the collection of accounts receivable or delay payment of accounts payable;

(xv) created any Subsidiaries or entered into any joint venture, partnership or similar arrangement; or

(xvi) committed to or agreed to undertake any of the foregoing.

2.34 Transaction Payments. Schedule 2.34 sets forth a true, correct and complete list of all payments payable by the Company to any Person arising from or as a result of the consummation of the transactions contemplated by this Agreement, including: (i) any severance or bonus plan payment, (ii) any payment of deferred compensation, (iii) any change in control payment, or (iv) any similar payment ("Transaction Payments"), including the amount of each such payment, the party to whom such payment is or will become due, and, to the extent determinable, the date or dates on which such payments become due. As of the Closing, there will be no outstanding or unsatisfied Transaction Payments, other than those to be paid pursuant to Section 1.2(b)(ii).

2.35 Disclosure. To the Company's Knowledge, no representation or warranty by the Company, the Owners or the Seller in this Agreement (including the Disclosure Schedules hereto) or any other Transaction Documents: (i) contains any untrue statement of a material fact, or (ii) omits, when read in conjunction with all of the information contained in this Agreement, the Disclosure Schedules hereto and the other Transaction Documents, any fact necessary to make the statements or facts contained herein and therein not misleading. Except as set forth on Schedule 2.35, the Company has provided the Buyer with true and complete copies of all documents listed or described in the Disclosure Schedules.

3. REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE MAJORITY OWNERS.

The Seller and the Majority Owners, as to and for themselves, and not with respect to any other Person, severally and not jointly represent and warrant to the Buyer, the following matters, current as of the Closing Date:

3.1 Authorization.

(a) The Seller has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which the Seller is a party, to perform the Seller's obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the other Transaction Documents to which the Seller is a party by the Seller, and the Seller's consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite action of the Seller. The Seller was formed by Owners for the purpose of consummating the Reorganization and, prior to the Closing, will have owned no assets or engaged in any activities except as expressly contemplated in this Agreement.

(b) Such Majority Owner has the requisite power, capacity and authority to execute and deliver this Agreement and the other Transaction Documents to which such Majority Owner is a party, to perform such Majority Owner's obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the other Transaction Documents to which such Majority Owner is a party by such Majority Owner, and such Majority Owner's consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite action of such Majority Owner.

3.2 Binding Agreement.

(a) This Agreement has been duly executed and delivered to the Buyer by the Seller, and (assuming the due authorization, execution and delivery of this Agreement by the other parties hereto) constitutes the legal, valid and binding agreement of the Seller, enforceable against the Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery at the Closing of each other Transaction Document to which the Seller is a party, such Transaction Document will be duly and validly executed and delivered to the Buyer on the Closing Date, and will constitute (assuming, in each case, the due authorization, execution and delivery by each other party thereto) the Seller's legal, valid and binding obligation, enforceable against the Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

(b) This Agreement has been duly executed and delivered to the Buyer by such Majority Owner, and (assuming the due authorization, execution and delivery of this Agreement by the other parties hereto) constitutes the legal, valid and binding agreement of such Majority Owner, enforceable against such Majority Owner in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery at the Closing of each other Transaction Document to which such Majority Owner is a party, such Transaction Document will be duly and validly executed and delivered to the Buyer on the Closing Date, and will constitute (assuming, in each case, the due authorization, execution and delivery by each other party thereto) such Majority Owner's legal, valid and binding obligation, enforceable against such Majority Owner in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

3.3 Title. The Seller owns, beneficially and of record, the Equity set forth opposite the Seller's name on Schedule 2.4(a), free and clear of any and all Liens (including any spousal interests (community or otherwise)) other than Permitted Liens. Upon delivery of the Seller's Equity to the Buyer on the Closing Date in accordance with this Agreement and upon the Buyer's delivery of the payments applicable to the Seller at the Closing pursuant to Section 1.2(b), the entire legal and beneficial interest in the Seller's Equity and good, valid and marketable title to such Equity will pass to the Buyer, free and clear of all Liens (including any spousal interests (community or otherwise)) other than restrictions of general applicability imposed by federal or state securities laws and any Liens imposed on such Equity by the Buyer.

3.4 No Breach.

(a) The execution, delivery and performance of this Agreement and the other Transaction Documents to which the Seller is a party and the consummation of the transactions contemplated hereby and thereby by the Seller and the performance by the Seller hereunder and thereunder does not and will not: (i) violate or conflict with the Seller's Charter or Governing Documents, or any Law or Order to which the Seller or the Seller's Equity is subject, or by which the Seller or the Seller's Equity may be bound, (ii) with or without giving notice or the lapse of time or both, breach or conflict with, constitute or create a default under, or give rise to any right of termination, cancellation or acceleration of any obligation or result in a loss of a material benefit under, or give rise to any obligation of the Company or the Seller to make any payment under, or to the increased, additional, accelerated or guaranteed rights or entitlements of any Person under, any of the terms, conditions or provisions of any Contract to which the Seller is a party or by which the Seller or the Seller's Equity may be bound, (iii) result in the imposition of a Lien on the Seller's

Equity or (iv) require any filing with, or Permit, or the giving of any notice to, any Governmental Authority or other Person on behalf of the Seller.

(b) The execution, delivery and performance of this Agreement and the other Transaction Documents to which such Majority Owner is a party and the consummation of the transactions contemplated hereby and thereby by such Majority Owner and the performance by such Majority Owner hereunder and thereunder does not and will not: (i) violate or conflict with any Law or Order to which such Majority Owner is subject, or by which the Seller or the Seller's Equity may be bound, if applicable, (ii) with or without giving notice or the lapse of time or both, breach or conflict with, constitute or create a default under, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any Contract to which such Majority Owner is a party or by which such Majority Owner may be bound, or (iii) require any filing with, or Permit, or the giving of any notice to, any Governmental Authority or other Person on behalf of such Majority Owner.

3.5 Compliance With Laws; Claims. The Seller has complied in all material respects with all Laws of any Governmental Authority applicable to the Equity held by the Seller. Neither the Seller nor any Majority Owner has any Claim against the Company (other than a Claim for compensation or reimbursement of expenses due in the Ordinary Course of Business to the extent that such amount is reflected on the Estimated Closing Date Balance Sheet).

3.6 Representation By Counsel. Each of the Seller and the Majority Owners: (i) has been represented by independent counsel (or has had the opportunity to consult with independent counsel and has declined to do so); (ii) has had the full right and opportunity to consult with the such Majority Owner's or the Seller's, as applicable, attorney and other advisors and has availed himself, herself or itself of this right and opportunity; (iii) has carefully read and fully understands this Agreement in its entirety and has had it fully explained to such Majority Owner and Seller by such counsel; (iv) is fully aware of the contents hereof and the meaning, intent and legal effect thereof; and (v) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

3.7 Corporation Stockholder. The Seller is and has been a valid S corporation (within the meaning of Sections 1361 and 1362 of the Code and within the meaning of comparable provisions of applicable state law) stockholder at all times since its inception.

3.8 Seller Taxes. (i) The Seller has timely filed all Tax Returns required to have been filed by the Seller to reflect all of the Seller's direct or indirect share of Company income or loss, (ii) all such Tax Returns are accurate and complete, (iii) the Seller has paid all Taxes owed by the Seller which were due and payable (whether or not shown on any Tax Return), (iv) the Seller has complied with all Applicable Laws relating to Taxes, (v) there are no pending or ongoing audits of the Tax Returns of the Seller with respect to its share of Company income or loss, and (vi) no unpaid Tax deficiency has been asserted in writing against or with respect to the Seller with respect to its direct or indirect share of Company income or loss by any Governmental Authority which Tax remains unpaid.

3.9 Buyer Common Stock.

(a) The Seller acknowledges and understands that the shares of Buyer Common Stock that the Seller is acquiring hereunder are unregistered, restricted securities which may not be transferred, sold, assigned, pledged, hypothecated or otherwise disposed of by Seller unless such stock is subsequently registered under the Securities Act or unless an exemption from such registration is otherwise available. The Seller acknowledges that all certificates representing any shares of Buyer Common Stock will bear a restrictive legend in a form as reasonably required by the Buyer and hereby consents to the transfer agent for the Buyer's Common Stock placing a stop-transfer notation on its records to implement the restrictions

on transfer described herein. The Seller understands that except as provided herein: (i) the shares of Buyer Common Stock have not been and are not being registered under the Securities Act or any state securities laws, must be held indefinitely and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such assignment or transfer is permitted pursuant to Rule 144 promulgated under the Securities Act or (C) the Seller shall have delivered to the Company an opinion of counsel, in a generally acceptable form, to the effect that such shares of Buyer Common Stock to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration. The Seller is acquiring such shares as principal for its own account, for investment purposes only, and not with a view to or for sale in connection with any distribution of the stock or any portion thereof and not with any present intention of selling, offering to sell or otherwise disposing of or distributing the stock in a transaction other than a transaction exempt from registration under the Securities Act. The Seller does not have any direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such securities in violation of the Securities Act or any applicable state securities law. The Seller agrees that it shall not offer to sell, sell or otherwise dispose of a Buyer Common Stock received hereunder in violation of Section 5.8 herein and the registration requirements, holding periods and other requirements of the Securities Act and all applicable Laws. At the time the Seller was offered the Buyer Common Stock, the Seller was, and at the date of this Agreement, the Seller is: (i) an "accredited investor" as defined in Rule 501 under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act.

(b) The Seller acknowledges that it has been afforded: (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Buyer concerning the terms and conditions of this Agreement and the merits and risks of the prospective investment in the Buyer Common Stock; (ii) access to information about the Buyer and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate the terms and conditions of this Agreement and the merits and risks of the prospective investment in the Buyer Common Stock; and (iii) the opportunity to obtain such additional information that the Buyer possesses or can acquire without unreasonable effort or expense that is necessary to make an informed decision. The Seller and its advisors, if any, in acquiring the Buyer Common Stock, have relied solely on its independent investigation of the Buyer. The Seller understands that its investment in the Buyer Common Stock involves a high degree of risk. The Seller has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Buyer Common Stock.

4. REPRESENTATIONS AND WARRANTIES OF THE BUYER.

The Buyer represents and warrants to the Company, the Seller and the Owners the following matters, current as of the Closing Date:

4.1 Organization. The Buyer is a corporation duly formed, validly existing and in good standing under the Laws of the State of New Jersey, has all requisite power and authority, and is qualified or registered to do business in each jurisdiction in which the nature of its business or operations would require such qualification or registration, except where the failure to be so qualified or registered would not cause a material adverse effect on the ability of the Buyer to consummate the transactions contemplated by, and perform its obligations under, this Agreement or the other Transaction Documents.

4.2 Necessary Authority. The Buyer has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. This Agreement and the other Transaction Documents to which the Buyer is a party have been duly authorized, executed and delivered by the Buyer, and (assuming the due authorization, execution and delivery of this Agreement by the other parties hereto) constitute the legal, valid and binding obligations of the Buyer,

enforceable against the Buyer in accordance with its terms, subject only to applicable bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. The individual(s) executing this Agreement and any Transaction Document to which the Buyer is a party, on behalf of the Buyer, has the right, power and authority to execute and deliver this Agreement and any Transaction Document to which the Buyer is a party, and upon execution, no further action will be needed to make this Agreement and any Transaction Document to which the Buyer is a party valid and binding upon, and enforceable against, the Buyer in accordance with their terms (assuming in each case this Agreement constitutes a valid, legal and binding obligation of each other party hereto).

4.3 No Conflicts. The execution, delivery and performance by the Buyer of this Agreement and the other Transaction Documents to which the Buyer is a party, and the consummation of the transactions contemplated herein or therein do not and will not: (a) violate or conflict with the Buyer's Charter or Governing Documents, (b) require the Buyer to obtain the consent or approvals of, or make any filing with, any Person or Governmental Authority, except for consents and approval already obtained and notices or filings already made, (c) violate any Law or Order or (d) constitute or result in the breach of any provision of, or constitute a default under, any Contract filed by the Buyer with the SEC in the reports filed by the Buyer with the SEC pursuant to Item 601(b)(10) of Regulation S-K of the Securities Act, and any agreement, indenture or other instrument to which the Buyer is a party or by which it or its assets are bound, except in the case of (b), (c) or (d), where such violation, breach or default would not cause a material adverse effect on the ability of the Buyer to consummate the transactions contemplated by, and perform its obligations under, this Agreement or the other Transaction Documents.

4.4 Brokers. Except for Canaccord Genuity, Inc., no broker, finder or investment banker or other Person is directly or indirectly entitled to any brokerage, finder's or other contingent fee or commission or any similar charge in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Buyer.

4.5 Litigation; Compliance with Law. There is no Claim or Order of any nature, pending, rendered or, to the Buyer's Knowledge, threatened, against the Buyer or its business that would reasonably be expected to adversely affect the Buyer, its business or the Buyer's ability to consummate the transactions contemplated by this Agreement. The Buyer has complied with all Laws of any Governmental Authority applicable to the Buyer or its business, except where such noncompliance would not cause a material adverse effect on the ability of the Buyer to consummate the transactions contemplated by, and perform its obligations under, this Agreement or the other Transaction Documents.

4.6 Investment Intent. The Buyer is acquiring the Equity for its own account and not with a view to any resale or distribution within the meaning of Section 2(11) of the Securities Act and the rules and regulations promulgated thereunder.

4.7 Insolvency. The Buyer is not the subject of any pending, rendered or threatened in writing, or to the Buyer's Knowledge, otherwise threatened, insolvency proceedings of any character. The Buyer has not made an assignment for the benefit of creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings. The Buyer is not insolvent nor will it become insolvent as a result of entering into this Agreement or the Transaction Documents to which the Buyer is a party and consummating the transactions contemplated hereunder and thereunder.

4.8 SEC Filings.

(a) Buyer has furnished Seller and each Owner with access via Buyer's website to a correct and complete copy of each report, schedule, registration statement and definitive proxy statement filed by

Buyer with the SEC since January 1, 2014 (the "SEC Documents"), which are all the documents that the Company was required to file with the SEC since such date. As of their respective dates, none of the SEC Documents (including all exhibits and schedules thereto and documents incorporated by reference therein) contained any untrue statements of a material fact or omissions of a material fact necessary so as not to render the statements therein misleading and, in the case of documents other than a registration statement, in light of the circumstances under which they were made, and the SEC Documents complied when filed in all material respects with the then applicable requirements of the Securities Act or the Exchange Act, as the case may be. Buyer's financial statements included in the SEC Documents complied in all material respects with the then applicable accounting requirements and the published SEC rules and regulations with respect thereto, were prepared in accordance with GAAP during the periods involved (except as may have been indicated in the notes thereto or, in the case of unaudited statements, as permitted by the SEC) and fairly present (subject, in the case of the unaudited statements, to normal, recurring audit adjustments) the consolidated financial position of Buyer and its consolidated subsidiaries as at the dates thereof and the consolidated results of their operations and cash flows for the periods then ended.

(b) Since December 31, 2015, no event has occurred which would reasonably be expected to adversely affect the Buyer, its business or the Buyer's ability to consummate the transactions contemplated by this Agreement.

(c) The SEC Documents accurately reflect the Buyer's capitalization as of the dates indicated in such reports. Since December 31, 2015, Buyer has not issued any shares of its capital stock, other than grants under its equity plans disclosed in the SEC Documents and upon the exercise of outstanding options. Except as set forth in the SEC Documents and other than as provided in this Agreement, there are no other outstanding rights, options, warrants, preemptive rights, rights of first offer, or similar rights for the purchase or acquisition from the Buyer of any securities of the Buyer, nor are there any commitments to issue or execute any such rights, options, warrants, preemptive rights or rights of first offer except in connection with the sale of $2,500,000 of subordinated notes to Wynnefield Capital, Inc. and affiliates in connection with the transactions contemplated herein. There are no outstanding rights or obligations of the Buyer to repurchase or redeem any of its equity securities (other than such rights or obligations of the Buyer arising out of, relating to or in connection with the termination of employment of any of the Buyer's or any of its Subsidiaries' employees, which are, in the aggregate, not material to Buyer). As of the date of this Agreement, the Buyer does not have outstanding shareholder purchase rights or "poison pill" or any similar arrangement in effect giving any Person the right to purchase any equity interest in the Company upon the occurrence of certain events except as otherwise provided by the New Jersey Business Corporation Act.

4.9 Issuance of the Buyer Common Stock. The issuance and delivery of the Buyer Common Stock in accordance with this Agreement has been duly authorized by all necessary corporate action on the part of the Buyer. The Buyer Common Stock, when so issued and delivered in accordance with the provisions of this Agreement, will be duly and validly issued, fully paid and nonassessable. Upon consummation of the transactions contemplated by this Agreement, the Seller will acquire marketable title to the Buyer Common Stock free from all Liens.

4.10 Representations and Warranties. The Buyer acknowledges and agrees that none of Seller, the Owners or any other Person has made any representation or warranty as to Seller, the Company, the Owners or this Agreement, except as expressly set forth in this Agreement (including the related portions of the schedules) or the other Transaction Documents. Without limiting the generality of the foregoing, none of the Seller, the Company, the Owners or any other Person makes or has made any representation or warranty, either express or implied, as to any projection, forecast, statement or information made, communicated, or furnished (orally or in writing) to the Buyer or its Affiliates or representatives (including any information, projection, document, material or advice that may have been or may be provided or made available to the Buyer or any of its representatives by the Seller, the Company, the Owners or any of their

respective Affiliates or representatives, including in any online data room or management presentations), except as expressly and specifically covered by a representation and warranty set forth in Section 3 or Section 4.

5. COVENANTS OF THE COMPANY, THE SELLER, THE MAJORITY OWNERS AND THE BUYER.

5.1 Confidentiality.

(a) Each of the Seller and the Majority Owners will keep confidential and not directly or indirectly reveal, report, publish, disclose or transfer any Confidential Information, and will not use such information for their own benefit or for the benefit of any other Person (other than the Company and the Buyer, and their respective Affiliates), and will cause all of their respective Agents to do the same.

(b) Notwithstanding the foregoing limitations, no party to this Agreement will be required to keep confidential or return any information to the extent that such information: (i) is known or available through other lawful sources not bound by a confidentiality agreement or duty with the disclosing party; (ii) is or becomes publicly known or generally known in the industry through no fault of the receiving party or its Agents; (iii) is developed by the receiving party independently of the disclosure by the disclosing party and without reference to such Confidential Information; (iv) required to be disclosed pursuant to Law (including applicable securities Laws and rules and regulations of any applicable stock exchange), provided, that the other parties are given reasonable prior notice or consent thereto, and then such information is disclosed only to the limited extent required to be disclosed; or (v) to the extent reasonably required to be disclosed in connection with any lawsuit, arbitration or other proceeding relating to a dispute between the Buyer (or any of its Affiliates) and the Majority Owners (or any of them).

5.2 Tail Insurance. Prior to the Closing, the Company procured, at its sole cost and expense, and will pay all premiums under, a three-year tail insurance policy (the "Tail Policy") to the Company's directors' and officers', employment practices and/or fiduciary liability insurance policy/ies existing as of the Closing on terms with respect to coverage that are no less favorable than those of such policy/ies in effect as of the Closing Date, and which will cover acts and omissions of current and former officers and directors, managers, employees and/or fiduciaries as well as all insured entities for the three-year period prior to the Closing Date. The Buyer was provided with the right to review and comment upon the terms of any proposed Tail Policy, including the conversion endorsement thereto, and the Company agrees to use its reasonable best efforts to obtain any and all recommended changes. The parties hereto further agree that the amount of any retention due under or in respect of the Tail Policy will be treated as a Seller Expense, and that no such retention or any other amount due under or in respect of the Tail Policy will be payable by the Buyer or any of its Affiliates.

5.3 Agreement Regarding Intellectual Property. The Seller and each Majority Owner has already disclosed or prior to Closing will disclose to the Company any and all Intellectual Property developed by such Person (alone or jointly with others) on behalf of the Company or necessary for or used in the business of the Company, and does hereby assign to the Company any and all right, title and interest that such Person may have in and to such Intellectual Property. Each of the Seller and the Majority Owners represents that he or she has not made any assignment of, or granted any rights or interests in any such Intellectual Property to any Person other than the Company, and has not disclosed such Intellectual Property to any third party. Upon the Buyer's or the Company's request at any time, including any time after the Closing, each of the Seller and the Majority Owners will execute and deliver to the Buyer or the Company such other documents as the Buyer or the Company reasonably deems necessary or desirable to vest in the Company the sole ownership of and exclusive worldwide rights in and to, all of such Intellectual Property

and to register and defend such ownership rights. Each such Person will deliver to the Company all copies or embodiments of such Intellectual Property in any media in his or her possession on or before Closing.

5.4 Name Change. Following the Closing, the Buyer shall have the exclusive right to use, in connection with the operation of the Business: (a) the name "Danya," (b) any trade name of the Company used in connection with the operation of the Business, (c) the brand name of each service of the Company used in connection with the operation of the Business, and (d) any derivations of any of the foregoing, including, any domain name or Social Media account using such name. The Seller agrees to take all necessary actions, including filing an amendment to the Charter of its Subsidiaries or Affiliates (which for the avoidance of doubt, includes The Danya Institute, Inc.) with the relevant State agency(ies), and amendments to its foreign qualification with each foreign jurisdiction where it transacts business, to change its name promptly following the Closing Date, but in any event no later than three (3) days following the Closing Date, to a name that is not similar to such names, to allow the Buyer to exercise such rights. If, within ten (10) years following the Closing, the Buyer shall determine to discontinue all uses of the "Danya" name, the Buyer shall within one (1) year following such discontinuation of use assign whatever rights Buyer may have in such name, including the Danya.com URL domain name if it has been maintained, on an "as is" "no warranties" basis to Jeff Hoffman for his use in any manner that is not in conflict with the business of the Buyer and its Affiliates (and the Buyer shall take all necessary actions to effect such transfer upon the reasonable request of Jeff Hoffman at Jeff Hoffman's cost and expense). Within three (3) Business Days following the Closing, the Majority Owners shall cause The Danya Institute, Inc. to amend its Charter to remove any reference to the Company. Notwithstanding anything to the contrary contained herein, The Danya Institute, Inc. shall be permitted to continue to use the name "Danya" (including in its corporate name in its Charter) for a period of 18 months following the Closing Date.

5.5 LLC Conversion. Notwithstanding anything to the contrary contained in this Agreement, (i) except to the extent such Liability arises from the failure of Seller or Owners to complete a step of the Reorganization, including making applicable Tax elections required to be completed; or (ii) except with respect to Taxes arising from the LLC Conversion prior to the Closing, neither Seller nor any Owner shall have any Liability of any kind with respect to the LLC Conversion or the effects thereof, all of which shall be at the sole risk and liability of Buyer, including (a) any liability arising from any assertion by any Governmental Authority that the LLC Conversion gives rise to a requirement that any Government Contract be novated, or that the consent or approval of any Governmental Authority is required in connection therewith, (b) any breach of any representation or warranty contained in this Agreement or in any Transaction Document, or in any schedule, certificate or other writing delivered pursuant hereto or thereto, arising solely as a result of any of the LLC Conversion and (c) any Transfer Taxes arising in connection with the transactions contemplated by the LLC Conversion.

5.6 Market Stand-Off. The Company, the Seller and the Majority Owners acknowledge that the existence of this Agreement and the negotiations with respect hereto may be considered material non-public information. The Company, the Seller and the Majority Owners will not, and will notify in writing those Company officers, directors/managers and Affiliates and those of the Company's employees who have knowledge or become aware of the existence of this Agreement and/or the negotiations with respect hereto not to, purchase, sell, pledge, hypothecate or otherwise transfer, or grant or acquire any option or other right to purchase, any securities of the Buyer from the date hereof through the third Business Day after the public announcement by the Buyer of the existence of this Agreement and its subject rights.

5.7 Attorney-Client Privilege; Retention of Counsel. The parties acknowledge that Greenberg Traurig, LLP and Keith R. Malley, PC (collectively, "Counsel") have represented the Seller, the Majority Owners and the Company in connection with the transactions contemplated by this Agreement. Buyer and the Company agree that the attorney-client privilege, attorney work-product protection, and expectation of client confidence shall attach as a result of Counsel's representation of the Company, the Seller and/or the

Majority Owners in connection with the transactions contemplated by this Agreement to all confidential communications between Counsel and the Seller, the Majority Owners and/or the Company, or its officers, directors or employees that occurred (in the case of the Company only) prior to Closing but solely relating to Counsels' representation of the Company, the Seller and/or the Majority Owners in connection with the transactions contemplated by this Agreement. All privileged information or attorney work product of Counsel or any other attorney relating to Company that was not related directly to the transactions contemplated by this Agreement shall remain property and assets of the Company. In no event will the Company or Buyer after the Closing object to the retention by the Seller and/or the Owners of Counsel in connection with defending or prosecuting any claim subject to Seller's and the Majority Owner's indemnification obligations under this Agreement.

5.8 Additional Restrictions on Transfer of Shares; Piggyback Registration Rights.

(a) Lock-Up. The Seller agrees that, during the period from the Closing to the six (6) month anniversary of the Closing Date and during the holding period required under Rule 144 promulgated under the Securities Act and SEC rules (the "Lock Up Period"), he/she shall not directly or indirectly sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase, pledge or otherwise transfer or dispose of the common stock of the Buyer acquired pursuant to this Agreement. The Seller further agrees that during the period commencing six (6) months after the Closing and terminating eighteen (18) months thereafter (the "Restricted Period"), during any calendar month, the Seller may not sell more than the greater of (i) 1/18 of the aggregate number of shares of Buyer Common Stock issued at the Closing, or (ii) 10% of the total trading volume of the Buyer Common Stock for the previous calendar month. The foregoing provisions of this Section 5.8(a) shall not apply to (i) sales of Buyer Common Stock to be included in an underwritten offering effected pursuant to Section 5.8(b), (ii) bona fide gifts, provided the recipient thereof agrees in writing with the Buyer to be bound by the restrictions contained in this Section 5.8(a), (iii) dispositions to any trust for the direct or indirect benefit of a holder of Buyer Common Stock Recipient and/or the immediate family of a holder of Buyer Common Stock, provided that such trust agrees in writing with the Buyer to be bound by the terms of this Section 5.8(a), (iv) transfers of shares in the event of death by will or intestacy, or (v) a distribution of shares of Buyer Common Stock to stockholders, members or other equity owners of the holder of Buyer Common Stock, provided the recipient thereof agrees in writing with the Buyer to be bound by the restrictions contained in this Section 5.8(a); provided further, that upon the effective date of a Registration Statement covering the common stock issued to the Seller pursuant to this Agreement that is not part of an underwritten offering, the Lock Up Period will terminate and the Restricted Period will be extended to the period between the effective date of such Registration Statement and the six (6) month anniversary of the Closing Date.

(b) Piggyback Registration Rights.

(i) Whenever the Buyer proposes to register the offer and sale of any shares of Buyer Common Stock under the Securities Act (other than a registration (A) pursuant to a Registration Statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Buyer pursuant to any employee stock plan or other employee benefit arrangement), (B) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), (C) in connection with any dividend or distribution reinvestment or similar plan, or (D) pursuant to any rights offering or other distribution to shareholders), whether for its own account or for the account of one or more stockholders of the Buyer and the form of Registration Statement (a "Piggyback Registration Statement") to be used may be used for the resale of the shares of Buyer Common Stock being issued hereunder (a "Piggyback Registration"), the Buyer shall give prompt written notice (in any event no later than ten days prior to the filing of such Registration Statement) to the holders of Registrable Securities (as defined below) of its intention to effect such a registration and, subject to paragraphs (ii) and (iii) below, shall include in such registration all

Registrable Securities with respect to which the Buyer has received written requests for inclusion from the holders of Registrable Securities within five days after the Buyer's notice has been given to each such holder. If any Piggyback Registration Statement pursuant to which holders of Registrable Securities have registered the offer and sale of Registrable Securities is a Registration Statement on Form S-3 or the then appropriate form for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act or any successor rule thereto (a "Piggyback Shelf Registration Statement"), such holder(s) shall have the right, but not the obligation, to be notified of and to participate in any offering under such Piggyback Shelf Registration Statement (a "Piggyback Shelf Takedown"). As used herein, "Registrable Securities" means the shares of Buyer Common Stock issued pursuant to this Agreement, as well as any equity securities of Buyer issued or issuable with respect to any such shares by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other reorganization or other similar event.

(A) Notwithstanding the foregoing, however, if at any time after giving written notice of its intention to register any securities and prior to the effective date of the Registration Statement filed in connection with such registration, Buyer shall determine for any reason not to register or to delay registration of such securities, Buyer may, at its election, give written notice of such determination to such holders and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this Section 5.8(a) for the same period as the delay in registering such other securities.

(B) The foregoing obligations are conditioned on each holder to furnishing to Buyer information regarding such holder and the distribution of such Registrable Securities as is required by law to be disclosed in the Registration Statement, Prospectus, supplemented Prospectus and/or amended Registration Statement, including any information necessary to allow Buyer to fulfill its undertakings made in accordance with Item 512 of Regulation S-K, and Buyer may exclude from such registration the Registrable Securities of any such holder who fails to furnish such information within a reasonable time prior to the filing of each Registration Statement, Prospectus, supplemented Prospectus and/or amended Registration Statement.

(ii) If a Piggyback Registration or Piggyback Shelf Takedown is initiated as a primary underwritten offering on behalf of the Buyer and the managing underwriter advises the Buyer and the holders of Registrable Securities (if any holders of Registrable Securities have elected to include Registrable Securities in such Piggyback Registration or Piggyback Shelf Takedown) in writing that in its reasonable and good faith opinion the number of shares of Buyer Common Stock proposed to be included in such registration or takedown, including all Registrable Securities and all other shares of Buyer Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Buyer Common Stock which can be sold in such offering and/or that the number of shares of Buyer Common Stock proposed to be included in any such registration or takedown would adversely affect the price per share of the Common Stock to be sold in such offering, the Buyer shall include in such registration or takedown (A) first, the shares of Buyer Common Stock that the Buyer proposes to sell; (B) second, the shares of Buyer Common Stock requested to be included therein by holders of Registrable Securities, allocated pro rata among all such holders on the basis of the number of Registrable Securities owned by each such holder or in such manner as they may otherwise agree; and (C) third, the shares of Buyer Common Stock requested to be included therein by holders of Buyer Common Stock other than holders of Registrable Securities, allocated among such holders in such manner as they may agree.

(iii) If a Piggyback Registration or Piggyback Shelf Takedown is initiated as an underwritten offering on behalf of a holder of Buyer Common Stock other than Registrable Securities, and the managing underwriter advises the Buyer in writing that in its reasonable and good faith opinion the number of shares of Buyer Common Stock proposed to be included in such registration or takedown, including all Registrable Securities and all other shares of Buyer Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Buyer Common Stock which can be sold in such offering and/or that the number of shares of Buyer Common Stock proposed to be included in any such registration or takedown would adversely affect the price per share of the Buyer Common Stock to be sold in such offering, the Buyer shall include in such registration or takedown (A) first, the shares of Buyer Common Stock requested to be included therein by the holder(s) requesting such registration or takedown and by the holders of Registrable Securities, allocated pro rata among all such holders on the basis of the number of shares of Buyer Common Stock other than the Registrable Securities (on a fully diluted, as converted basis) and the number of Registrable Securities, as applicable, owned by all such holders or in such manner as they may otherwise agree; and (B) second, the shares of Buyer Common Stock requested to be included therein by other holders of Buyer Common Stock, allocated among such holders in such manner as they may agree.

6. CLOSING DELIVERABLES.

6.1 Closing Deliverables to be Delivered by the Company and the Seller. On the Closing Date, the Company and the Seller will deliver or cause to be delivered to the Buyer the following, each in form and substance acceptable to the Buyer:

(a) certificates, if certificated, representing the Equity, duly endorsed or accompanied by powers duly executed in blank and otherwise in form acceptable for transfer on the books of the Company;

(b) the books and records of the Company, including the membership interest ledger, minute book and company seal of the Company;

(c) a certificate dated as of the Closing Date and signed by the Company's Secretary (or equivalent) and certifying and attaching: (i) copies of resolutions of the Company's Board of Directors/Managers and equity holder(s) authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby (including the Reorganization), and (ii) current and complete copies of the Company's Charter and Governing Documents;

(d) a certificate executed by the chief executive officer (or equivalent) of the Company attaching a check ledger of issued and un-cashed checks for each of the Bank Accounts and a balance statement dated the Closing Date of the Bank Accounts, and identifying the authorized signatories to each such Bank Account;

(e) an IRS Form W-9 completed by the Seller;

(f) certificates from the State of Maryland and from each jurisdiction where the Company is qualified to do business as a foreign limited liability company/corporation, dated no earlier than fifteen (15) days prior to the Closing Date, as to the good standing of the Company in such jurisdictions;

(g) an affidavit of non-foreign status of the Seller, dated as of the Closing Date in form and substance required under Section 1445 of the Code and the Regulations thereunder such that the Buyer is exempt from withholding any portion of the Purchase Price under Section 1445 of the Code;

(h) a Non-Competition Agreement, substantially in the form of Exhibit B hereto, executed by the Seller and Jeffrey Hoffman;

(i) a Consulting Agreement, substantially in the form of Exhibit C hereto, executed by Jeffrey Hoffman;

(j) the Escrow Agreement executed by the Seller, and all documents required by the Escrow Agent thereunder (i.e., IRS Form W-9, signature authorization, certified copy of Governing Documents, etc.);

(k) resolutions, consents, corporate minutes, certificates and other documentation reasonably necessary to update the books and records of the Company;

(l) evidence of the written consent of each of the Option holders (if any) of the Company to the transactions contemplated by this Agreement pursuant to the Option Repurchase Agreement, Release and Waiver, substantially in the form of Exhibit D hereto (the "Option Repurchase Agreement"), executed by each of the Option holders;

(m) a release, substantially in the form of Exhibit E hereto (each, a "Minority Owner Release"), executed by each of the Owners other than the Majority Owners;

(n) the Flow of Funds Memorandum signed by the Company, the Seller and the Majority Owners, along with professional fees certificates from service providers receiving payments identified therein, either in such provider's final invoice or otherwise;

(o) evidence of the termination of: (i) all transactions set forth on Schedule 2.24(a), other than at-will employment arrangements, (ii) the Operating Agreement, with respect to the Company, without any further liability of the Company to the Seller, (iii) the Contract with the investment banker set forth on Schedule 2.29, terminating any and all obligations of the Company with respect thereto and a release of the Company with respect thereto, and (v) the Option Plan;

(p) one or more CD-ROMs or alternatively portable "thumb drives," in PC-readable format, that contain readable, working Adobe or other (i.e., Microsoft Office) portable document format files that set forth all of the documents made available, provided or delivered to the Buyer prior to the Closing;

(q) evidence that each step of the Reorganization, including applicable Tax elections, was properly effected in accordance with applicable corporate and Tax Laws;

(r) suitable documentation for the control of all bank and other financial accounts set forth on Schedule 2.31, as prescribed by the Buyer;

(s) documentation evidencing the release and extinguishment of all of the Debt of the Company and Liens on any of the Assets, except as otherwise set forth on Schedule 2.9 of the Disclosure Schedules;

(t) copies or embodiments of material Intellectual Property, if any, in accordance with Section 5.3;

(u) evidence of the Company's transfer (whether by dividend, contribution or otherwise) of (i) its equity ownership in each of Danya International Technology Enabled Solutions, Danya International Kenya Limited and Anthrotronix, Inc., and (ii) any interest in, or affiliation with, the "Living in Balance"

works, and all related Contracts, each of which is listed on Schedule 6.1(w), each in a form reasonably satisfactory to Buyer;

(v) a release by the Subsidiaries of the Company and by The Danya Institute, Inc., in a form reasonably satisfactory to Buyer; and

(w) resignations and releases effective immediately following the Closing of those directors/managers and officers of the Company, in each case as designated by the Buyer, if any.

6.2 Closing Deliverables to be Delivered by the Buyer. On the Closing Date, the Buyer will deliver or cause to be delivered to the Seller or the third parties referenced in this Agreement, including Section 1.2(b), as applicable:

(a) the portion of the Purchase Price due at Closing as provided in Section 1;

(b) a copy of the irrevocable instructions to the transfer agent for the Buyer's Common Stock instructing the transfer agent to deliver on an expedited basis to the Seller (at the address provided for such Seller in this Agreement) a physical certificate representing the number of shares of Buyer Common Stock determined in accordance with Section 1.1(b)(ii), which shall be issued and distributed to the Seller; and

(c) the Escrow Agreement executed by the Buyer and the Escrow Agent.

6.3 Other Closing Deliverables and Actions. The parties hereto will also execute such other documents and perform such other acts, before and after the Closing Date, as may be reasonably necessary for the implementation and consummation of the transactions contemplated by this Agreement.

7. INDEMNIFICATION.

7.1 Indemnification by the Buyer. The Buyer agrees to indemnify and hold harmless the Seller, the Owners, and each of their respective equity holders, trustees, directors, managers, officers, employees and agents (collectively, the "Seller Parties"), against, from and in respect of any and all Losses that are incurred by them based upon, arising out of or otherwise in respect of: (a) the inaccuracy in or breach of any representation or warranty made by the Buyer in this Agreement or in any other Transaction Document to which it is a party, (b) the non-fulfillment or breach of any unwaived covenant, obligation or agreement, in each case as made by or on behalf of the Buyer in this Agreement or in any other Transaction Document to which it is a party, (c) the LLC Conversion (except with respect to any Liability caused by Seller or Owners failure to complete a step of the Reorganization, including making the required Tax filings and except for any Taxes other than Transfer Taxes described in Section 5.5(c)) or (d) enforcing the Seller Parties' indemnification rights provided for under this Section 7.1.

7.2 Indemnification by the Seller and the Majority Owners. The Seller and each of the Majority Owners, jointly and severally, agree to indemnify and hold harmless the Buyer, its Affiliates and the Company (from and after the Closing), and each of their respective equity holders, trustees, directors, managers, officers, employees and agents (collectively, the "Buyer Parties"), against, from and in respect of any and all Losses that are incurred by them based upon, arising out of or otherwise in respect of: (a) the inaccuracy in or breach of any representation or warranty made by the Company, the Majority Owners or the Seller in this Agreement or in any other Transaction Document to which it is a party, (b) the non-fulfillment or breach by or on behalf of the Seller, the Majority Owners or, at or prior to the Closing, the Company, of any unwaived covenant, obligation or agreement, in each case as contained in this Agreement or in any other Transaction Document to which it is a party or (c) enforcing any of the Buyer Parties' indemnification rights provided for under this Section 7.2.

7.3 Supplemental Indemnification. The Seller and each of the Majority Owners, jointly and severally, agree to indemnify and hold harmless the Buyer Parties against, from and in respect of any and all Losses that are incurred by any of the Buyer Parties based upon, arising out of or otherwise in respect of the following, whether or not a breach of a representation, warranty, covenant or agreement in this Agreement or any other Transaction Document to which it is a party:

(a) any Taxes: (i) imposed on the Company or the Buyer as the owner of the Company (including any Taxes on built-in gains imposed under Section 1374 of the Code or under comparable provisions of state or local law, underpayment penalties, interest and any Taxes imposed by any Taxing Authority on the Company or employees of the Company) pursuant to federal, state, local or foreign Law, and (ii) attributable to any periods or portions thereof ending on or before the Closing Date in excess of Taxes which are included as liabilities for the purposes of computing Actual Net Working Capital;

(b) (i) the Buyer's inability to treat the purchase of the Company as an asset acquisition for federal income tax purposes and to allocate the Purchase Price to the Company's assets, including accounts receivable, fixed assets and goodwill, (ii) the loss of the Tax benefits of the step-up in basis in the assets referred to in item (i) above in accordance with Applicable Law, and (iii) any failure to maintain the Company's status as a disregarded entity within the meaning of Section 7701 of the Code and the Regulations promulgated thereunder for Tax purposes for all times since the date of the LLC Conversion through and including the Closing Date;

(c) any rate or other adjustments including any cost disallowances, which result in a Loss to the Company (to the extent such Loss exceeds any reserves on the balance sheet included in the Flow of Funds Memorandum) with respect to any government contracts audits of the Government Contracts related to: (i) any period ending on or before the Closing Date and (ii) any periods beginning before but ending after the Closing Date to the extent any adjustments relate to the portion of such period on or prior to the Closing Date; and

(d) the matters set forth in Exhibit F hereto, in each case which result in a Loss to the Company (to the extent such Loss exceeds of any reserves on the balance sheet included in the Flow of Funds Memorandum).

7.4 Survival of Representations, Warranties and Covenants; Reliance. All representations and warranties of the parties hereto contained in this Agreement and the statements or certificates delivered pursuant to Section 6 will survive the execution and delivery hereof and the Closing hereunder, and, after the Closing: (a) the Fundamental Representations and any and all Fraud-Type Claims will survive the execution and delivery hereof and the Closing, and continue indefinitely; (b) the Statutory Representations will survive the execution and delivery hereof and the Closing, and continue until thirty (30) days after the expiration of the applicable statute of limitation; (c) the Government Representations will survive the execution and delivery hereof and the Closing, and continue until the date thirty-six (36) months after the Closing Date; and (d) all other representations and warranties in Section 2, Section 3 and Section 4 will survive the execution and delivery hereof and the Closing, and continue until the date eighteen (18) months after the Closing Date. Each representation and warranty described in clauses (a), (b), (c) and (d), and any related indemnity Claim or right, will further survive if the party asserting such Claim will have provided written notice of such Claim or fact or circumstance reasonably expected to be the basis for a Claim (even if a Loss has not yet occurred) on or prior to the applicable time period referenced in clauses (a), (b), (c) and (d) to the party against which such Claim is asserted. Except as otherwise expressly provided herein, the covenants and agreements contained in this Agreement and the statements or certificates delivered pursuant to Section 6 will survive the execution and delivery hereof and the Closing, and continue indefinitely (unless a shorter period is expressly prescribed with respect to such covenant or agreement). Notwithstanding any right of the Buyer fully to investigate the affairs of the Company and the Seller, and

notwithstanding any Knowledge of facts determined or determinable by the Buyer pursuant to such investigation or right of investigation, the Buyer has the right to rely fully upon the representations and warranties of each of the Company, the Majority Owners and the Seller contained in this Agreement and the other Transaction Documents.

7.5 Certain Limitations on Indemnification Obligations.

(a) Except as otherwise expressly provided in this Section 7, other than with respect to the Fundamental Representations, Statutory Representations or Fraud-Type Claims, the Buyer Parties will not be entitled to receive any indemnification payments under Section 7.2(a) until the aggregate amount of Losses incurred by the Buyer Parties exceed $350,000 (the "Basket Amount"), and then only to the amount of Losses incurred in excess of one-half of the Basket Amount.

(b) Except as otherwise expressly provided in this Agreement, the maximum aggregate amount of indemnification payments for which the Seller and the Majority Owners will have liability to the Buyer Parties under this Section 7, and the maximum aggregate amount that the Buyer Parties will be entitled to recover from the Seller and the Owners will not exceed:

(i) ten percent (10%) of the Purchase Price with respect to Claims under Section 7.2(a), other than with respect to the Fundamental Representations, Statutory Representations or the Government Representations;

(ii) thirty percent (30%) of the Purchase Price with respect to Claims under Section 7.2(a), solely with respect to the Government Representations and all claims that are subject to the additional limitation set forth in Section 7.5(b)(i), collectively (for purposes of clarity, any Claims under Section 7.2(a), other than with respect to the Fundamental Representations, Statutory Representations or Government Representations, shall be subject to the 10% limitation set forth in Section 7.5(b)(i), and any such Claims together with any Claims with respect to the Government Representations shall also be subject to the additional limitation set forth in this paragraph (ii), such that if the 10% limitation in Section 7.5(b)(i) was reached, the maximum aggregate amount that the Buyer Parties would be entitled to recover from the Seller and the Owners could not exceed 20% of the Purchase Price with respect to the Government Representations); and

(iii) the Purchase Price with respect to all Claims arising under or in connection with this Agreement or the transactions contemplated hereby, other than Fraud-Type Claims.

For the avoidance of doubt, Fraud-Type Claims will not be limited in amount that the Buyer Parties will be entitled to receive under this Section 7.

(c) Notwithstanding anything to the contrary in this Agreement:

(i) any indemnification payments based upon or any Losses related to any and all breaches of the Fundamental Representations, the Statutory Representations, or Fraud-Type Claims will not be subject to the Basket Amount set forth in Section 7.5(a);

(ii) for purposes of determining the amount of Losses resulting from, arising out of or relating to breach of any such representation or warranty (but not for determining whether a breach has occurred), all of the representations and warranties set forth in this Agreement (including, for the avoidance of doubt, the Disclosure Schedules) or any other Transaction Document that are qualified by materiality, Material Adverse Effect or words of similar import or effect will be deemed to have been made without any such qualification;

(iii) none of the Buyer Parties or the Seller Parties will be permitted to recover any Losses pursuant to this Section 7 to the extent such party has been indemnified or reimbursed for such amount under any other provision of this Agreement (including if there has been included in the calculation of Actual Working Capital a specific liability or reserve relating to such matter);

(iv) (A) each Loss shall be reduced by the amount of any insurance proceeds actually paid to any indemnified party with respect to such Loss (net of any related deductibles, increase in premium and any out-of-pocket expenses to obtain such proceeds) and any indemnity, contribution or other similar payment actually paid to any of the indemnified parties by any third party with respect to such Loss (net of any out-of-pocket expenses incurred by the indemnified parties in obtaining such third party payment); (B) the indemnified parties shall promptly reimburse the indemnifying party for any amounts previously paid to any indemnified party on account of Losses for which any indemnified party later recovers any insurance proceeds or receives any indemnity, contribution or similar payment (subject to the reductions set forth in item (A) above); and (C) the indemnified parties shall use commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses; provided, that no indemnified party will be required to bring any litigation or proceeding (arbitral, administrative, legal or otherwise, including any informal proceeding) against a third party under this item (iv); and

(v) any and all liability of the Seller Parties under Section 7.2 or Section 7.3 shall first be satisfied from the amount remaining in the Escrow Account.

7.6 Defense of Claims. In the case of any Claim for indemnification under Section 7.1, Section 7.2 or Section 7.3 arising from a Claim of a third party (including the IRS or any other Governmental Authority), an indemnified party must give prompt written notice to the indemnifying party of any Claim of which such indemnified party has Knowledge and as to which it may request indemnification hereunder, which notice shall describe in reasonable detail the nature of the Claim, an estimate of the amount of Losses attributable to such Claim, if determinable, and the basis of the indemnified party's request for indemnification under this Agreement. The failure to give such notice will not, however, relieve the indemnifying party of its indemnification obligations except to the extent that the indemnifying party is actually harmed thereby. The indemnifying party will have the right to defend and to direct the defense against any such Claim in its name and at its expense, and with counsel selected by the indemnifying party unless: (A) the indemnifying party fails to acknowledge fully its obligations to the indemnified party(ies) under this Agreement within thirty (30) calendar days after receiving notice of such third party Claim; (B) the applicable third party claimant is a Governmental Authority or a then-current customer of the Buyer or the Company or any of their respective Affiliates; (C) the applicable third party alleges Fraud-Type Claims; (D) an adverse judgment with respect to the Claim will establish a precedent materially adverse to the continuing business interests of the Company, the Buyer or their respective Affiliates; (E) there is a material conflict of interest between the indemnified party and the indemnifying party in the conduct of such defense; (F) the third party Claim is criminal in nature, could reasonably be expected to lead to criminal proceedings and/or (G) the third party Claim seeks injunctive relief or other equitable remedies against the indemnified party(ies), including suspension or debarment, or if a Buyer Party is the indemnified party, seeks indemnification for amounts greater than the amounts remaining in the Escrow Account. If the indemnifying party elects, and is entitled, to compromise or defend such Claim, it will within thirty (30) days (or sooner, if the nature of the Claim so requires) notify the indemnified party of its intent to do so, and the indemnified party must, at the request and expense of the indemnifying party, cooperate in the defense of such Claim. If the indemnifying party elects not to, or is not entitled under this Section 7.6 to, compromise or defend such Claim, fails to notify the indemnified party of its election as herein provided or refuses to acknowledge or contests its obligation to indemnify under this Agreement, the indemnified party may pay, compromise or defend such Claim. Notwithstanding anything to the contrary contained herein, the indemnifying party will have no indemnification obligations with respect to any such Claim which has been or will be settled by the indemnified party without the prior written consent of the

indemnifying party (which consent may not be unreasonably withheld, conditioned or delayed). The indemnifying party's right to direct the defense will include the right to compromise or enter into an agreement settling any Claim by a third party; provided, that no such compromise or settlement will obligate the indemnified party to agree to any settlement that: (i) requires the taking or restriction of any action (including the payment of money and competition restrictions) by the indemnified party other than the delivery of a release for such Claim, except with the prior written consent of the indemnified party (such consent to be withheld, conditioned or delayed only for a good faith reason), or (ii) if a Buyer Party is the indemnified party, exceeds the amounts remaining in the Escrow Account unless the indemnifying party sets aside the amount of such excess in an escrow arrangement reasonably acceptable to the indemnified party. Notwithstanding the indemnifying party's right to compromise or settle in accordance with the immediately preceding sentence, the indemnifying party may not settle or compromise any Claim over the objection of the indemnified party; provided, however, that consent by the indemnified party to settlement or compromise will not be unreasonably withheld, conditioned or delayed. The indemnified party will have the right to participate in the indemnifying party's defense of any Claim with counsel selected by it subject to the indemnifying party's right to direct the defense. The fees and disbursements of such counsel will be at the expense of the indemnified party. For purposes of clarity, but without altering any of the other provisions of this Section 7.6, nothing herein shall require that the indemnified party refrain from paying any Claim that has matured by an Order, unless an appeal is duly taken therefrom and exercise thereof has been stayed, nor will it be required to refrain from paying any Claim where the delay in paying such Claim would result in the foreclosure of a Lien upon any of the property or assets then held by the indemnified party or where any delay in payment would cause the indemnified party material economic loss.

7.7 Non-Third Party Claims. Any Claim which does not result from a third party Claim will be asserted by a written notice to the other party or parties describing in reasonable detail the nature of the Claim, an estimate of the amount of Losses attributable to such Claim and the basis of the indemnified party's request for indemnification under this Agreement, and will be identified as a "DIRECT INDEMNITY CLAIM NOTICE." The recipient of such notice will have a period of thirty (30) days after receipt of such notice within which to respond thereto. During such thirty (30) day period, the recipient will have the right to cure any applicable breach of this Agreement or any other Transaction Document. If the recipient does not respond within such thirty (30) days and does not cure the applicable breach, the recipient will be deemed to have accepted responsibility for the Losses set forth in such notice and will have no further right to contest the validity of such notice. If the recipient responds within such thirty (30) days after the receipt of the notice and rejects such Claim in whole or in part, the party delivering will be free to pursue such remedies as may be available to it under this Agreement, any other Transaction Document or Applicable Law.

7.8 Tax Treatment. Unless otherwise required by Applicable Law, all indemnification payments will constitute adjustments to the Purchase Price for all Tax purposes, and no party will take any position inconsistent with such characterization.

7.9 No Right of Contribution. Neither the Seller nor the Majority Owners will have any right to seek contribution from the Buyer or the Company with respect to all or any part of the Seller's or the Majority Owners' indemnification obligations under this Section 7.

7.10 Exclusive Remedy. Except as otherwise expressly provided in this Agreement and except with respect to Fraud-Type Claims or claims for injunctive relief, the remedies provided for in this Section 7 will be the sole and exclusive remedies of the parties hereto and their Affiliates and their respective stockholders, members, managers, trustees, officers, directors, employees, agents, representatives, successors and assigns for claims arising out of any breach of or inaccuracy in any representation, warranty, covenant, agreement or obligation contained in this Agreement or related to the transactions contemplated by this Agreement (other than claims arising under the Escrow Agreement or the Non-Competition

Agreement being entered into by the Majority Owners on the date hereof pursuant to this Agreement); provided, however, that the rights and remedies provided by this Agreement are cumulative and non-exclusive, and the availability or use of any one right or remedy by any party will not preclude or waive the right to use any or all other remedies.

7.11 No Waiver. The provisions in this Section 7 do not: (a) waive or affect any Fraud-Type Claims to which any party may be entitled, or relieve or limit the liability of any party from any liability arising out of or resulting from Fraud-Type Claims, and (b) waive or affect any equitable remedies to which any party may be entitled.

8. POST CLOSING MATTERS.

8.1 Cooperation. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the parties will take such further action (including the execution and delivery of such further instruments and documents) as any other party reasonably may request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under Section 7).

8.2 Transition. Neither the Company, the Majority Owners nor the Seller will take any action that is designed or intended to have the effect of discouraging any lessor, licensor, customer, supplier, or other business associate of the Company from maintaining the same business relationships with the Company after the Closing as it maintained with the Company prior to the Closing. The Seller and the Majority Owners will refer all customer inquiries relating to the Company's business to the Company and its Affiliates from and after the Closing.

8.3 Tax Matters.

(a) Periods Ending on or Before the Closing Date. The Seller will prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company for all periods ending on or prior to the Closing Date which are filed after the Closing Date. Any Tax Returns filed pursuant hereto must be consistent with prior Tax Returns of the Company. No later than twenty (20) days prior to filing, the Seller will deliver or cause to be delivered to the Buyer all such Tax Returns and any related work papers and will permit the Buyer to review and comment on each such Tax Return and will make such revisions to such Tax Returns as are reasonably requested by the Buyer. The Seller will timely pay to the appropriate Taxing Authority any Taxes of the Company with respect to such periods to the extent such Taxes were not included as a liability in the calculation of Actual Net Working Capital. The costs, fees and expenses related to the preparation of such Tax Returns will be estimated and accrued as a liability of the Company for purposes of calculating Net Working Capital and the amount estimated and accrued will be paid by the Company and any costs, fees and expenses in excess of such amount shall be paid by the Seller.

(b) Periods Beginning Before and Ending After the Closing Date. To the extent that any Tax Returns of the Company relate to any Tax periods which begin on or before the Closing Date and end after the Closing Date, the Buyer will prepare or cause to be prepared in a manner consistent with the prior Tax Returns of the Company unless otherwise required by Applicable Law and file or cause to be filed any such Tax Returns. The Buyer will permit the Seller to review and comment on each such Tax Return described in the preceding sentence at least twenty (20) days prior to filing such Tax Returns and will make such revisions to such Tax Returns as are reasonably requested by the Seller unless otherwise required by Applicable Law. Any Taxes of the Company with respect to the portion of such period ending on the Closing Date, to the extent such Taxes were not included as a liability in the calculation of Actual Net Working Capital, will be paid in cash by the Seller to the Company at least three Business Days before the due date for the Tax Return reflecting such Taxes. The costs, fees and expenses related to the preparation

of such Tax Returns will be paid equally by the Seller, on the one hand, and the Buyer, on the other hand. For purposes of this Section, in the case of any Taxes that are imposed on a periodic basis and are payable for a taxable period that includes but does not end on the Closing Date, the portion of such Tax which relates to the portion of such taxable period ending on the Closing Date will: (i) in the case of any ad valorem Tax on real or personal property or franchise Tax not based on gross or net income, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction: (a) the numerator of which is the number of days in the taxable period ending on the Closing Date and (b) the denominator of which is the number of days in the entire taxable period, and (ii) in the case of any Tax other than those described in clause (i) above, be deemed equal to the amount which would be payable if the relevant taxable period ended on the Closing Date. Any credits relating to a taxable period that begins before and ends after the Closing Date will be taken into account as though the relevant taxable period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations will be made in a manner consistent with the prior practice of the Company unless otherwise required by Applicable Law. All Seller Expenses and payments to the Option Holders pursuant to the Option Cancellation Agreements shall be apportioned to the Tax period ending on or before Closing to the extent permissible by Applicable Law;

(c) Tax Sharing Agreements. The Seller will cause all Tax Sharing Agreements or similar agreements with respect to or involving the Company to be terminated as of the Closing Date and, after the Closing Date, the Company will not to be bound thereby or have any liability thereunder.

(d) Conduct of Audits and Other Procedural Matters.

(i) Except as set forth in this Section 8.3(d)(i) below, each party hereto will, at its own expense, control any audit or examination by any Governmental Authority, and have the exclusive right to initiate any Claim for refund or amended return, and contest, resolve and defend against any assessment, notice of deficiency or other adjustment or proposed adjustment of Taxes ("Tax Proceedings") for any taxable period for which that party is charged with payment or indemnification responsibility under this Agreement. In the case of any Tax Proceedings relating to any period that begins on or before the Closing Date and ends after the Closing Date, the Buyer will control such Tax Proceedings and will consult in good faith with the Seller as to the conduct of such Tax Proceedings. In no event will the Seller settle any Tax Proceeding relating to any period that begins and ends on or before the Closing Date in a manner which would adversely affect the Buyer, without the prior written consent of the Buyer, which consent may not be unreasonably withheld, conditioned or delayed.

(ii) Each party hereto will, at the expense of the requesting party, execute or cause to be executed any IRS Form 2848 power of attorney or other documents reasonably requested by such requesting party to enable it to take any and all actions such party reasonably requests with respect to any Tax Proceedings that the requesting party controls.

(iii) Each party hereto will promptly forward to the other party all written notifications and other written communications, including if available the original envelope showing any postmark, from any Taxing Authority received by such party or its Affiliates relating to any liability for Taxes for any taxable period for which such other party or any of its Affiliates is charged with payment or indemnification responsibility under this Agreement. Each indemnifying party will promptly notify, and consult with, each indemnified party as to any action it proposes to take with respect to any liability for Taxes for which it is required to indemnify another party, and will not enter into any closing agreement or final settlement with any Taxing Authority with respect to any such liability without the written consent of the indemnified parties, which consent may not be unreasonably withheld, conditioned or delayed, unless such settlement would be reasonable in the case of a Person that owned the Company both before and after the Closing Date. The failure by a party to provide timely notice under this subsection will not relieve the other party

from its indemnification obligations under this Agreement with respect to the subject matter of any notification not timely forwarded, except to the extent the other party is actually harmed thereby.

(e) Certain Taxes. Except as provided in Section 5.5(c), all transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including penalties and interest) incurred in connection with the Agreement ("Transfer Taxes") shall be paid one-half by the Seller and one-half by the Buyer. The parties shall file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by applicable law, the Buyer shall, and shall cause its Affiliates to, join in the execution of any such returns and other documentation.

(f) Cooperation and Exchange of Information. The Owners, Seller and Buyer shall provide each other with such cooperation and information as either of them reasonably may request of the other (and Buyer shall cause the Company to provide such cooperation and information) in filing any Tax Return, amended Tax Return or claim for refund, determining a liability for Taxes or a right to a refund of Taxes or participating in or conducting any audit or other proceeding in respect of Taxes. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with related work papers and documents relating to rulings or other determinations by taxing authorities, and to make commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that is or otherwise would be imposed absent such certificate or document (including with respect to the transactions contemplated hereby). The Seller and Buyer shall make themselves (and, in the case of Buyer, its employees) reasonably available on a mutually convenient basis to provide explanations of any documents or information provided under this Section 8.3. Notwithstanding anything to the contrary in this Agreement, each of the Seller, the Owners, and the Buyer shall retain all Tax Returns, work papers and all material records or other documents in its possession (or in the possession of its Affiliates) relating to Tax matters of the Company for any taxable period that includes the date of the Closing and for all prior taxable periods until the later of (i) the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions or (ii) six years following the due date (without extension) for such Tax Returns. After such time, before the Seller or the Buyer disposes of, or permits any of its Affiliates to dispose of, any such documents in its possession (or in the possession of its Affiliates), the other party shall be given an opportunity, after 90 calendar days' prior written notice, to remove and retain all or any part of such documents as such other party may select (at such other party's expense). Any information obtained under this Section 8.3 shall be kept confidential, except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting an audit or other proceeding relating to Taxes.

(g) Tax Refunds. To the extent not included as an asset in the computation of Actual Net Working Capital, any Tax refund, Tax credit or similar benefit (including any interest paid or credited with respect thereto) relating to a Tax period or portion thereof ending on or before the Closing Date shall be the property of the Owners and Seller, and if received by the Buyer or the Company shall be paid over promptly to the Owners or Seller, less any costs or expenses incurred (including any Taxes imposed upon the Buyer or the Company) in connection with the receipt thereof. The Buyer shall, if the Seller so requests and at the Seller's expense, reasonably cooperate with the Seller in filing any amended returns or talking such other steps as may be necessary for and obtaining any refund or claiming any tax credits to which the Owners and Seller are entitled under this Section 8.3(g). Notwithstanding the foregoing, this Section 8.3(g) will not apply if the Tax refund, Tax credit or similar benefit would result in a related Tax detriment for Tax periods or portions thereof beginning after the Closing Date.

8.4 Covenants Regarding Reorganization and Purchase Price Allocation.

(a) Reorganization. Each party agrees that, with respect to the Reorganization for U.S. federal, state and local tax purposes, it shall (as applicable) treat and report the Reorganization as an F Reorganization and shall comply with the filing and recordkeeping requirements of Regulation § 1.368-3.

(b) Allocation Statement. Buyer and Seller understand and agree that the purchase and sale of the Equity will be treated for income Tax purposes as a purchase of the assets of the Company by the Buyer and will be treated for income Tax purposes as a sale of the assets of the Company by the Seller. Within 120 days after the Closing, the Buyer will deliver or cause to be delivered to the Seller a statement containing the Buyer's allocation of the Purchase Price among the Assets (the "Allocation Statement"). The Allocation Statement will be prepared in accordance with Schedule 8.4(b) and Section 1060 of the Code and any comparable provisions of state, local or foreign Law, as appropriate, and the Buyer will involve an independent, reputable accounting or valuation firm in the preparation of the Allocation Statement. The Buyer will permit the Seller to review and comment on such Allocation Statement described in the preceding sentence at least ten (10) days prior to filing such Allocation Statement Returns and will make such revisions to such Tax Returns as are reasonably requested by the Seller. The Buyer, the Company and the Seller Parties will report the allocation of the total consideration among the Assets in a manner consistent with the final Allocation Statement and will act in accordance with the final Allocation Statement in the preparation and timely filing of all Tax Returns (including filing Form 8594 with their respective federal income Tax Returns for the taxable year that includes the Closing Date and any other forms or statements required by the Code, Regulations, the IRS or any applicable state or local Taxing Authority). The Buyer and the Seller agree to promptly provide the other parties with any reasonable additional information with respect to the Buyer or the Seller, as the case may be, and reasonable assistance required to complete IRS Form 8594 or to compute Taxes arising in connection with (or otherwise affected by) the transactions contemplated by this Agreement. Each party will promptly inform the others of any challenge by any Taxing Authority to any allocation made pursuant to this Section 8.4; provided, however, that the Buyer will be fully responsible for conducting and managing any such challenge and any and all costs and expenses related thereto, and agrees to consult with and keep the Seller informed with respect to the status of, and any discussion, proposal or submission with respect to, such challenge.

8.5 Release and Covenant Not to Sue. Subject to and effective as of the Closing, the Seller and each of the Majority Owners hereby releases and discharges the Company and its Affiliates from and against any and all Claims and Liabilities whatsoever, whether known or unknown, both at law and in equity, which the Seller or any of the Majority Owners now has, has ever had or may hereafter have against the Company or any of its Affiliates arising on or prior to the Closing Date or on account of or arising out of any matter occurring on or prior to the Closing Date, including any rights to indemnification or reimbursement from the Company or any of its Affiliates, whether pursuant to its Charter or Governing Documents, Contract or otherwise, and whether or not relating to Claims pending on, or asserted after, the Closing Date. From and after the Closing, the Seller or any of the Majority Owners hereby irrevocably covenants to refrain from, directly or indirectly, asserting any Claim, or commencing or causing to be commenced, any Claim of any kind against the Company and its Affiliates, based upon any matter purported to be released hereby. Notwithstanding anything to the contrary contained herein, none of the Seller nor any of the Majority Owners releases, discharges or waives any Claim that he, she or it has, has ever had or may hereafter have against the Buyer or its Subsidiaries (other than the Company) arising from or related to the Transaction Documents, and the Seller and the Majority Owners hereby expressly reserves any such Claims against the Buyer or its Subsidiaries (other than the Company).

9. MISCELLANEOUS.

9.1 Certain Interpretive Matters. In this Agreement, unless the context otherwise requires: (i) words of the masculine or neuter gender will include the masculine, neuter and/or feminine gender, and words in the singular number or in the plural number will each include, as applicable, the singular number or the plural number, (ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity, (iii) any accounting term used and not otherwise defined in this Agreement or any Transaction Document has the meaning assigned to such term in accordance with GAAP, (iv) the words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation," (v) reference to any Law means such Law as amended, modified codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, (vi) any agreement, instrument, insurance policy or Law defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, insurance policy or Law as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of Laws) by succession of comparable successor Laws and references to all attachments thereto and instruments incorporated therein, (vii) except as otherwise indicated, all references in this Agreement to the underlined words "Section," "Schedule" and "Exhibit" are intended to refer to Sections, Disclosure Schedules and Exhibits to this Agreement, (viii) the headings of the Sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of this Agreement, (ix) the words "herein," "hereto," and "hereby" and other words of similar import in this Agreement shall be deemed in each case to refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement, (x) any reference herein to "dollars" or "$" shall mean United States dollars, (xi) the word "if" and other words of similar import when used herein shall be deemed in each case to be followed by the phrase "and only if," (xii) the term "or" means "and/or," (xiii) any reference herein to a Governmental Authority shall be deemed to include reference to any successor thereto, and (xiv) the specificity of any representation or warranty contained herein shall not be deemed to limit the generality of any other representation or warranty contained herein. Each Disclosure Schedule will be deemed incorporated into this Agreement. The parties further acknowledge and agree that: (A) this Agreement is the result of negotiations between the parties and will not be deemed or construed as having been drafted by any one party, (B) each party and its counsel have reviewed and negotiated the terms and provisions of this Agreement (including any Exhibits and Disclosure Schedules attached hereto) and have contributed to its revision, (C) the rule of construction to the effect that any ambiguities are resolved against the drafting party will not be employed in the interpretation of this Agreement, (D) the terms and provisions of this Agreement will be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement, (E) neither the drafting history nor the negotiating history of this Agreement may be used or referred to in connection with the construction or interpretation of this Agreement, (F) for the Company or the Seller to have made a document "available," "provided" or "delivered" it to the Buyer, such document must have been uploaded to the Company's electronic datasite at least two (2) days prior to the execution of this Agreement, provided, that with respect to any documents uploaded to the Company's electronic data site within five (5) Business Days prior to the date of this Agreement, the Company shall provide Buyer with advance or contemporaneous written notice.

9.2 Expenses. Except as otherwise expressly set forth elsewhere in this Agreement, the Buyer will bear its own legal and other fees and expenses incurred in connection with its negotiating, executing and performing this Agreement, including any related broker's or finder's fees with which it has contracted, and the Company and the Seller and the Majority Owners will bear their respective legal and other fees and expenses incurred in connection with their negotiating, executing and performing this Agreement, including any related broker's or finder's fees with which any of them have contracted, for periods on or before the

Closing Date in accordance with Section 1.2(b). The Seller and the Majority Owners will bear their own legal and other fees and expenses incurred in connection with this Agreement after the Closing, including any related broker's or finder's fees with which either of them have contracted, subject to the provisions of this Agreement.

9.3 Amendment; Benefit and Assignability. This Agreement may be amended only by the execution and delivery of a written instrument by or on behalf of the parties hereto. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns. For the avoidance of doubt, the Buyer will have the right to assign its rights and obligations under this Agreement in connection with any financing of the transactions contemplated hereby. This Agreement (and the parties respective rights hereunder) may not be assigned by any party without the prior written consent of the other parties; provided, however, that the Buyer may assign all or any portion of this Agreement to any Affiliate of the Buyer, so long as the Buyer will remain obligated for the payment of the Purchase Price and the performance of this Agreement.

9.4 Notices.

(a) All notices, demands and other communications pertaining to this Agreement ("Notices") must be in writing addressed as follows:

If to the Seller or the Majority Owners:

DI Holdings, Inc.
11810 Grand Park Ave, Suite 500
North Bethesda, MD 20852
Attention: Jeff Hoffman
E-Mail: jeffhoffmanphd@gmail.com

with a copy to (that will not constitute notice):

Greenberg Traurig, LLP
1750 Tysons Boulevard, Suite 1200
McLean, Virginia 22102
Attention: Tim Jessell
Facsimile: (703) 749-1301
E-Mail: jessellt@gtlaw.com

If to the Buyer (or the Company after the Closing):

DLH Holdings Corp.
3565 Piedmont Road NE, Building 3, Suite 700
Atlanta, Georgia 30305
Attention: Chief Executive Officer and Chief Financial Officer
E-Mail: Zach.Parker@DLHcorp.com and Kathryn.JohnBull@DLHcorp.com

with a copy to (that will not constitute notice):

Holland & Knight LLP
1600 Tysons Boulevard, Suite 700
McLean, Virginia 22102
Attention: Adam J. August

Facsimile: (703) 720-8610
E-Mail: adam.august@hklaw.com

(b) Notices will be deemed given five (5) Business Days after being mailed by certified or registered United States mail, postage prepaid, return receipt requested, or on the first Business Day after being sent, prepaid, by nationally recognized overnight courier that issues a receipt or other confirmation of delivery. Notices delivered via facsimile or electronic mail will be deemed given when actually received by the recipient. Notices delivered by personal service will be deemed given when actually received by the recipient. Any party may change the address to which Notices under this Agreement are to be sent to it by giving written notice of a change of address in the manner provided in this Agreement for giving Notice.

9.5 Waiver. Unless otherwise specifically agreed in writing to the contrary: (a) the failure of any party at any time to require performance by any other party of any provision of this Agreement will not affect such party's right thereafter to enforce the same; (b) no waiver by any party of any default by any other party will be valid unless in writing and acknowledged by an authorized representative of the non-defaulting party, and no such waiver will be taken or held to be a waiver by such party of any other preceding or subsequent default; and (c) no extension of time granted by any party for the performance of any obligation or act by any other party will be deemed to be an extension of time for the performance of any other obligation or act hereunder.

9.6 Entire Agreement. This Agreement (including the Recitals, the Exhibits and Disclosure Schedules hereto, which are incorporated by reference herein and deemed a part of this Agreement) and the other Transaction Documents constitute the entire agreement between the parties with respect to the subject matter hereof and referenced herein, and supersede and terminate any prior agreements between the parties or their respective Affiliates (written or oral) with respect to the subject matter hereof, including that certain Letter of Intent dated October 21, 2015, as extended, by and between the Company and the Buyer.

9.7 Counterparts; Electronic Signature. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, with the same effect as if the signature on each such counterpart were on the same instrument. Further, this Agreement may be executed by transfer of an originally signed document by facsimile or e-mail in PDF format, each of which will be as fully binding as an original document.

9.8 Severability. In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. Any illegal or unenforceable term will be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of Applicable Law and such term, as so modified, and the balance of this Agreement will then be fully enforceable. The parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision.

9.9 Choice of Law; Venue. This Agreement is to be construed and governed by the Laws of the State of Maryland (without giving effect to principles of conflicts of laws). The Buyer, the Company, the Seller and the Majority Owners each irrevocably agree that any Claim arising out of or in connection with this Agreement (other than a dispute under Section 1.3, which is subject to the Dispute Resolution Procedure) shall exclusively be brought in the state and federal courts of Maryland (or in any court in which appeal from such courts may be taken). Each party hereto expressly consents to the personal jurisdiction and venue of such courts, and further, each party agrees not to assert, by way of motion, as a defense, or otherwise, in any such Claim, any Claim that it is not subject personally to the jurisdiction of such court,

that the Claim is brought in an inconvenient forum, that the venue of the Claim is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and hereby agrees not to challenge such jurisdiction or venue by reason of any offsets or counterclaims in any such Claim.

9.10 Waiver of Jury Trial. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT AND EACH OF THE OTHER TRANSACTION DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY IN CONNECTION WITH SUCH AGREEMENTS.

9.11 Remedies. Except as specifically set forth in this Agreement, any party having any rights under any provision of this Agreement will have all rights and remedies set forth in this Agreement and all rights and remedies which such party may have been granted at any time under any other Contract and all of the rights which such party may have under any Law, each of which is cumulative and non-exclusive. Any such party will be entitled to: (a) enforce such rights specifically, without posting a bond or other security, (b) recover damages by reason of a breach of any provision of this Agreement and (c) exercise all other rights granted by Law.

9.12 No Third Party Beneficiaries. Except with respect to indemnity Claims of the Seller Parties and the Buyer Parties, this Agreement does not confer any rights, benefits or remedies upon any Person (including the Former Option Holders) other than the parties hereto and their respective successors and assigns.

9.13 Disclosure Schedules. Each section or subsection of the Disclosure Schedule shall only be deemed to apply to each other section or subsection of this Agreement only to the extent that it is reasonably apparent from the text of such disclosure itself, without reference to any underlying document or material, that such information is relevant to such other section or subsection.

9.14 Section References. The following capitalized terms, as used in this Agreement, have the respective meanings given to them in the Section of this Agreement as set forth below adjacent to such terms:

Term	Section of the Agreement Where Defined
"Actual Net Working Capital"	Section 1.4
"Agreement"	Preamble to the Agreement
"Allocation Statement"	Section 8.4(b)
"Anti-Kickback Act"	Section 2.30(i)
"Bank Account"	Section 2.31
"Base Purchase Price"	Section 1.1(b)
"Basket Amount"	Section 7.5(a)
"Benefit Plans"	Section 2.19(a)
"Buyer"	Preamble to the Agreement
"Buyer Parties"	Section 7.2
"Closing"	Section 1.2(a)
"Closing Date"	Section 1.2(a)
"Closing Payment"	Section 1.2(b)(i)(E)
"Company"	Preamble to the Agreement
"Control"	definition of Affiliate

"Copyrights"	definition of Intellectual Property
"Corporation"	Recitals of the Agreement
"Counsel"	Section 5.7
"Current Government Contracts"	Section 2.30(a)(i)
"Customs Laws"	Section 2.30(j)(iii)
"Determination"	definition of Dispute Resolution Procedure
"Equity"	Recitals of the Agreement
"ERISA"	Section 2.19(l)
"Escrow Account"	Section 1.2(b)(i)(A)
"Escrow Agreement"	Section 1.2(b)(i)(A)
"Estimated Net Working Capital"	Section 1.2(c)
"Estimated Closing Date Balance Sheet"	Section 1.2(c)
"Estimated Working Capital Deficit"	Section 1.2(d)
"Estimated Working Capital Excess"	Section 1.2(d)
"FCPA"	Section 2.30(i)
"Financial Statements"	Section 2.15(a)
"Flow of Funds Memorandum"	Section 1.2(c)
"Former Option Holders"	Recitals of the Agreement
"Funded Backlog"	Section 2.30(f)(i)
"Government Furnished Items"	Section 2.30(f)(ii)
"Interests"	Recitals of the Agreement
"IP Licenses"	Section 2.12(a)(ii)
"Leased Premises"	Section 2.22(a)
"Leases"	Section 2.22(a)
"Liability" and "Liabilities"	Section 2.16
"Listing"	Section 2.30(d)(i)
"LLC Conversion"	Recitals of the Agreement
"Lock-up Period"	Section 5.8(a)
"Majority Owner"	Preamble to the Agreement
"Notices"	Section 9.4(a)
"NWC Certificate"	Section 1.3
"Objection Notice"	Section 1.3
"OCI"	Section 2.30(b)(iii)(J)
"Option Repurchase Agreement"	Section 6.1(n)
"Owner"	Recitals of the Agreement
"Patents"	definition of Intellectual Property
"Personnel Security Clearances"	Section 2.30(g)
"Piggyback Registration"	Section 5.8(b)(i)
"Piggyback Shelf Registration Statement	Section 5.8(b)(i)
"Piggyback Shelf Takedown"	Section 5.8(b)(i)
"Preferred Bidder Status"	Section 2.30(a)(v)
"Purchase Price"	Section 1.1(b)
"Restricted Period"	Section 5.8(a)
"Registrable Securities"	Section 5.8(b)(i)
"Reorganization"	Recitals of the Agreement
"SEC Documents"	Section 4.8
"Section 409A Plan"	Section 2.19(k)
"Security Clearances"	Section 2.30(g)
"Seller"	Preamble to the Agreement
"Seller Parties"	Section 7.1
"Software"	definition of Intellectual Property

"Statement Date"	Section 2.15(a)
"Tail Policy"	Section 5.2
"Tax Proceedings"	Section 8.3(d)(i)
"Tax Sharing Agreements"	Section 2.17(f)
"Trademarks"	definition of Intellectual Property
"Trade Secrets"	definition of Intellectual Property
"Transaction Payments"	Section 2.34
"Transfer Taxes"	Section 8.3(e)
"Unfunded Backlog"	Section 2.30(f)(i)

9.15 Defined Terms. As used in the Agreement, the following terms will have the respective meanings set forth below:

"Accounting Firm" means RSM US LLP, or such other recognized accounting firm with expertise in government contracts mutually agreed upon by the Buyer and the Seller, or otherwise selected by the Washington, D.C. Regional Office of the American Arbitration Association. The parties agree that RSM US LLP will be deemed to be independent even though the Buyer may, in the future, designate RSM US LLP to resolve disputes of the type described in Section 1.3. If RSM US LLP is unable to serve as the Accounting Firm and the Buyer and the Seller have failed to reach agreement on an Accounting Firm within ten (10) calendar days following the termination of the twenty (20) calendar-day period referred to in Section 1.3, then the parties will jointly engage the American Arbitration Association to select the Accounting Firm, in accordance with the procedures of the American Arbitration Association to make such election.

"Affiliate" means any Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with or of, such entity. The term "Control" (including, with correlative meaning, the terms "Controlled by" and "under common Control with"), as used with respect to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

"Affiliated Group" has the meaning set forth in Section 1504(a) of the Code.

"Agent" means, as to any Person, such Person's Affiliates and its and their directors, managers, officers, principals, employees, agents, advisors (including financial advisors, counsel and accountants), financing sources and direct and indirect controlling persons.

"Applicable Law" means with respect to any Person, a Law applicable to such Person or any of its properties, assets, officers, directors, managers, employees, consultants or agents (in connection with such officer's, director's, manager's, employee's, consultant's or agent's activities on behalf of such Person).

"Assets" means all Cash, Personal Property and real property of the Company, all Contracts, leases to which the Company is a party, all Permits held by the Company, all Intellectual Property of the Company, and all other assets of the Company.

"Business Day" means a day, other than a Saturday or Sunday or a national holiday, on which commercial banks in Washington, D.C. are open for the general transaction of business.

"Buyer Common Stock" means the unregistered shares of common stock of the Buyer, par value $0.001 per share.

"Buyer Common Stock Value" means the value of the Buyer Common Stock, which amount is $2,500,000.

"Cash" means the aggregate amount of unrestricted cash and cash equivalents held as of the Closing Date in the Bank Accounts, including money market accounts, of the Company. For the sake of clarity, "Cash" will be reduced by the aggregate balance of all outstanding checks or other debit instruments written against such accounts for the purposes hereof, and a negative balance in "Cash" shall be a liability of the Company.

"Charter" means such Person's Articles or Certificate of Incorporation, Organization or Formation, or their equivalent, and all amendments, modifications or supplements thereto.

"Claim" means any claim, action, litigation, inquiry, proceeding (arbitral, administrative, legal or otherwise, including any informal proceeding), cause of action, audit, suit, settlement, stipulation, hearing, investigation, charge, complaint, demand or similar matter.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidential Information" means any information concerning the business and affairs of the Company that is not generally available to the public, including know-how, trade secrets, customer lists, details of customer or consultant contracts, pricing policies, operational methods and marketing plans or strategies, and any information disclosed to the Company by third parties to the extent that the Company has an obligation of confidentiality in connection therewith.

"Contracts" means all contracts, agreements or other arrangements or obligations of any kind, written or oral (and all amendments, modifications or supplements thereto), including those to which the Company is a party or which are binding upon Company or the Assets.

"Debt" means, as of any particular time, without duplication, with respect to the Company: (a) the amount of all obligations for borrowed money (including: (i) any unpaid principal, premium, accrued and unpaid interest, prepayment penalties, commitment and other fees, reimbursements, indemnities and all other amounts payable in connection therewith and (ii) termination fees, expenses or breakage costs due upon prepayment of or payable in connection with the execution of this Agreement or the consummation of the transactions contemplated hereby), (b) all obligations evidenced by notes, bonds, debentures or other similar instruments, (c) all obligations issued or assumed for deferred purchase price payments (other than, for the avoidance of doubt, credit card obligations incurred in the Ordinary Course of Business), (d) all obligations requiring the reimbursement of any obligor on any line or letter of credit, capital lease, banker's acceptance, guarantee or similar credit transaction, in each case, that has been drawn or claimed against, (e) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made, whether periodically or upon the happening of a contingency, (f) all obligations (including accrued interest) under a lease agreement required to be capitalized pursuant to GAAP, (g) all obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (h) all obligations related to deferred revenue, and (i) all guarantees of the obligations of another Person with respect to any of the foregoing.

"Disclosure Schedules" means the disclosure schedules to the Agreement.

"Dispute Resolution Procedure" means the procedure pursuant to which the items in dispute are referred by either the Buyer or the Seller for determination as promptly as practicable to the Accounting

Firm, which will be jointly engaged by the Buyer, on the one hand, and the Seller, on the other hand, pursuant to an engagement letter in customary form which each of the Buyer and the Seller must execute. The Accounting Firm must prescribe procedures for resolving the disputed items and in all events must make a written determination, with respect to such disputed items only (e.g., in connection with Section 1.3, whether and to what extent, if any, the Flow of Funds Memorandum and the accompanying calculations of the Net Working Capital at the Closing require adjustment based on the terms and conditions of the Agreement (a "Determination")). The Determination must be based solely on presentations with respect to such disputed items by the Buyer and the Seller to the Accounting Firm and not on the Accounting Firm's independent review; provided, that such presentations will be deemed to include any work papers, records, accounts or similar materials delivered to the Accounting Firm by the Buyer or the Seller in connection with such presentations and any materials delivered to the Accounting Firm in response to requests by the Accounting Firm. Each of the Buyer and the Seller will use commercially reasonable efforts to make its presentation as promptly as practicable following submission to the Accounting Firm of the disputed items, and each such party will be entitled, as part of its presentation, to respond to the presentation of the other party and any question and requests of the Accounting Firm. The Buyer and the Seller must instruct the Accounting Firm to deliver the Determination to the Buyer and the Seller no later than thirty (30) calendar days following the date on which the disputed items are referred to the Accounting Firm. In deciding any matter, the Accounting Firm: (a) may only assign values to items in dispute and such values must be the same as or between the values asserted by the Buyer and by the Seller, and (b) will be bound by the express terms, conditions and covenants set forth in the Agreement, including the provisions of Section 1.3 and the definitions contained herein. The Accounting Firm may consider only those items and amounts in the Buyer's written notices or the Seller's written responses that the Buyer and the Seller were unable to resolve. In the absence of fraud or manifest error, the Determination will be conclusive and binding upon the parties hereto. It is the intent of the parties hereto that the process set forth in this definition of "Dispute Resolution Procedure" and the activities of the Accounting Firm in connection herewith are not (and should not be considered to be or treated as) an arbitration proceeding or similar arbitral process and that no formal arbitration rules should be followed (including rules with respect to procedures and discovery). The Buyer and the Seller shall instruct the Accounting Firm to make its determination as an expert and not as an arbitrator. All fees and expenses (including reasonable attorney's fees and expenses and fees and expenses of the Accounting Firm) incurred in connection with such dispute will be borne by the parties based on the percentage which the portion of the contested amount not awarded to such party bears to the amount actually contested by the parties. By way of example and not by way of limitation, if the Seller seeks a $70,000 upward adjustment to Net Working Capital and the Accounting Firm determines that there should be a $40,000 upward adjustment, then the Seller will be responsible for three-sevenths (3/7th) of the fees and expenses and the Buyer will be responsible for four-sevenths (4/7th) of the fees and expenses.

"Environmental Condition" means the presence of any Hazardous Materials, including any pollution, contamination or damage to natural resources or the environment, caused by or relating to the use, manufacture, production, importation, refinement, processing, emission, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaching, pumping, pouring, emptying, discharging, injection, escaping, disposal, dumping or threatened release of Hazardous Materials by the Company or any other Person. With respect to Claims by employees or other third parties, Environmental Condition will also include the exposure of Persons to amounts of Hazardous Materials.

"Environmental Laws" means all Laws, Permits and governmental agreements relating to pollution or protection of human health, safety or the environment, including Laws relating to releases or threatened releases of Hazardous Materials into the indoor or outdoor environment (including ambient air, surface water, groundwater, land, surface, and subsurface strata) or otherwise relating to the use, manufacture, production, importation, refinement, processing, emission, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaching, pumping, pouring, emptying, discharging, injection, escaping, disposal, dumping or threatened release of Hazardous Materials, and all laws and regulations with

regard to record keeping, notification, disclosure and reporting requirements respecting Hazardous Materials. Environmental Laws include any Laws relating to natural resources, pollution, protection of human health or the environment, or actual or threatened releases, discharges, or emissions into the environment or within structures.

"Environmental Noncompliance" means any violation of any Environmental Law.

"Escrow Agent" means Wilmington Trust.

"Escrow Amount" means Three Million Eight Hundred Seventy-Five Thousand Dollars ($3,875,000).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"FAR" means the Federal Acquisition Regulation and any agency supplement thereto.

"Fraud-Type Claims" means Claims for actual (but not constructive) fraud, criminal acts or willful misconduct.

"Fundamental Representations" means the representations and warranties made in Section 2.1 (Organization), Section 2.2 (Authorization), Section 2.3 (Ownership), Section 2.4 (Capitalization), Section 2.5 (Binding Agreement), Section 2.9 (Title), Section 2.29 (Brokers), Section 3.1 (Authorization), Section 3.2 (Binding Agreement) and Section 3.3 (Title).

"GAAP" means generally accepted accounting principles as in effect in the United States of America on the Closing Date, as consistently applied by the Company or its Subsidiaries (to the extent consistent with such principles).

"Governing Documents" means such Person's bylaws, partnership agreement, limited liability company/operating agreement, or any organizational or other constituent document, as applicable, and all amendments, modifications or supplements thereto.

"Government Audit Agency" means a "responsible audit agency" as defined in FAR 2.101 or any other Governmental Authority responsible for conducting audits of the Company or its Government Contracts, including the Defense Contract Audit Agency and the Department of Health and Human Services, Office of Inspector General.

"Government Bid" means any bid, proposal, offer or quote for supplies, services or construction, whether solicited or unsolicited, made by the Company, and all amendments, modifications or supplements thereto, which is intended by the Company to result in a Government Contract. A Government Bid: (a) includes but is not limited to any bid, proposal, offer or quote made by the Company that has been received or accepted by the offeree or other recipient but has not resulted in a Government Contract prior to the Closing Date, but (b) does not include any bid, proposal, offer or quote made by the Company that has resulted in a Government Contract prior to the Closing Date.

"Government Contract" means any prime contract, subcontract, teaming agreement or arrangement, joint venture, basic ordering agreement, blanket purchase agreement, pricing agreement, letter contract, contract awarded under the Federal Supply Schedule program, purchase order, task order or delivery order or other Contract or similar arrangement of any kind, and all amendments, modifications or supplements thereto, between the Company and: (a) any Governmental Authority, (b) any prime contractor

of a Governmental Authority in its capacity as a prime contractor, or (c) any subcontractor (or lower tier subcontractor) with respect to any contract of a type described in clauses (a) or (b) above.

"Government Representations" means the representations and warranties made in Section 2.30 (Government Contract and Regulatory Matters).

"Government Vendor Subcontract" means a Contract between the Company and another Person to supply supplies or services to the Company to be used in performing a Government Contract.

"Governmental Authority" means any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body. The term "Governmental Authority" includes any Person acting on behalf of a Governmental Authority.

"Hazardous Materials" means any waste, gas, liquid, or other substance or material that is designated, listed or defined as a "hazardous substance," "pollutant," "contaminant," "hazardous waste," "regulated substance," "hazardous chemical," or "toxic chemical" (or by any similar term) under any Environmental Law, or any other material regulated, or that could result in the imposition of liability or responsibility, under any Environmental Law, including petroleum products, petroleum byproducts, petroleum breakdown products, waste oil, crude oil, urea formaldehyde, polychlorinated biphenyls or asbestos.

"Intellectual Property" means all of the following as they exist in any jurisdiction throughout the world: (a) patents, patent applications and the inventions, designs and improvements described and claimed therein, patentable inventions, and other patent rights (including any divisionals, continuations, continuations-in-part, substitutions, or reissues thereof, whether or not patents are issued on any such applications and whether or not any such applications are amended, modified, withdrawn, or refiled) (collectively, "Patents"); (b) trademarks, service marks, trade dress, trade names, brand names, Internet domain names, designs, logos, or corporate/company names (including, in each case, the goodwill associated therewith), whether registered or unregistered, and all registrations and applications for registration and renewal thereof (collectively, "Trademarks"); (c) works of authorship, mask works and all copyrights therein, including all renewals and extensions, copyright registrations and applications for registration and renewal, and non-registered copyrights (collectively, "Copyrights"); (d) trade secrets and other confidential or proprietary business information, including concepts, ideas, designs, research or development information, processes, procedures, techniques, technical information, specifications, operating and maintenance manuals, drawings, methods, know-how, data, formulas, compositions, and methods, technical data, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals, discoveries, inventions, modifications, extensions, improvements, and other proprietary rights (whether or not patentable or subject to copyright, trademark, or trade secret protection) (collectively, "Trade Secrets"); (e) all domain name and domain name registrations, web sites and web pages, Social Media accounts and content, and related rights, registrations, items and documentation related thereto; (f) computer software, including all source code, object code, and documentation related thereto and all software modules, assemblers, applets, compilers, flow charts or diagrams, tools and databases ("Software"); (g) rights of publicity and privacy, and moral rights; and (h) all licenses, sublicenses, permissions, and other agreements related to the preceding property.

"IRS" means the U.S. Internal Revenue Service.

"Knowledge" means: (a) with respect to the Company, the actual knowledge of the Seller, the Majority Owners, Fred Vago, Robert Lalley, Rosemarie Franchi, and Raymond Yearty, or the knowledge

that any such Person would have received after a due inquiry in the Ordinary Course of Business, and (b) with respect to any other Person, the actual knowledge of such Person or any of its directors or executive officers, or the knowledge that any such Person would have received after a reasonable inquiry in the ordinary course of business.

"Law" means any federal, state, local, municipal, foreign or other law, statute, legislation, principle of common law, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, directive, requirement, writ, injunction, settlement, Permit or Order that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority.

"Liens" means all mortgages, deeds of trust, collateral assignments, security interests, Uniform Commercial Code financing statements, conditional or other sales agreements, liens, pledges, hypothecations, claims, interference, options, rights of first refusal, preemptive rights, community property interests, restrictions of any nature, and other encumbrances on or ownership interests in the Assets or the Equity (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the possession, exercise or transfer or any other attribute of ownership of any asset), as applicable. "Loss" means any loss, damage, due, penalty, fine, interest, cost, amount paid in settlement, judgment, Liability, Tax, cost of investigation, expense and fee (including court costs and attorneys' or other professionals' fees and expenses); provided, that Losses shall only include punitive, exemplary or special damages to the extent such damages are awarded pursuant to a third party claim.

"material" means, with respect to the Company or its Subsidiaries in connection with Section 2, any event, fact, condition, change, circumstance, occurrence or effect, which: (a) has been or would reasonably be expected to be material to the Company's business, operations or Assets in a manner other than the monetary effect, or (b) has or would reasonably be expected to have a monetary value or effect equal to $25,000 or more.

"Material Contract" includes all Contracts disclosed, or required to be disclosed on the Disclosure Schedules, including on Schedule 2.13(a), Schedule 2.22(a), or Schedule 2.30(a)(i).

"Material Adverse Effect" means any change, circumstance, fact, event, condition or effect that, individually or with other changes, circumstances, facts, events, conditions or effects, is or could reasonably be expected to cause, result in or have, a material adverse effect on the business, condition (financial or otherwise), assets, properties or results of operations of the Company; provided, however, that none of the following events, either alone or in combination, will be considered a Material Adverse Effect: (a) any change, circumstance, fact, effect, event or condition impacting the economy in general, (b) any change, circumstance, fact, effect, event or condition impacting the industry in which the Company operates, (c) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, (d) any action required by this Agreement (including the Reorganization), (e) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof, and (f) any natural or man-made disaster or acts of God, and (g) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded) (so long as, in the case of each of clause (a) and (b) above, the Company is not disproportionately affected by such effect, event or condition as compared to industry peers).

"Net Working Capital" means the difference (whether positive or negative) of: (a) the current assets of the Company as of the Closing (including Cash), minus (b) the liabilities of the Company as of the Closing, in each case as determined in accordance with GAAP and immediately prior to the consummation of the purchase and sale of the Equity contemplated hereby; provided, however, that, for purposes of this

definition of "Net Working Capital," whether or not the following is consistent with GAAP, in each case without duplication:

(i) "current assets" excludes: (A) any receivable from the Seller, the Majority Owners or any Affiliate of the Seller or the Majority Owners, (B) intangible assets and (C) any deferred or other Tax assets, including any Tax asset resulting from the purchase or termination of Options prior to Closing;

(ii) "liabilities" includes: (A) the amount of any unpaid Transaction Payments, in each case pursuant to a Contract that was entered into prior to the Closing, including the Company's share of any Taxes on such amounts; (B) all liabilities for accrued or deferred Taxes, (C) balance sheet reserves required under GAAP, including reserves for billings in excess of revenues, (D) reserves required or accrued for 401(k) or pension plan withholdings, (E) all Debt (whether classified as long term or short term) that is not discharged at the Closing pursuant to Section 1.2(b)(i)(C), (F) all Seller Expenses that are not paid at the Closing pursuant to Section 1.2(b)(i)(B), and (G) unreimbursed travel expenses of employees; and

(iii) "liabilities" excludes: (A) Seller Expenses that are paid at or prior to the Closing pursuant to Section 1.2(b)(i)(B), and (B) all Debt (whether classified as long term or short term) that is discharged at the Closing pursuant to Section 1.2(b)(i)(C).

Attached as Exhibit G is a sample calculation of Net Working Capital as of March 31, 2016.

"Open Source Software" means, collectively, Intellectual Property that is distributed as "free software" (as defined by the Free Software Foundation), "open source software" (meaning software distributed under any license approved by the Open Source Initiative as set forth at www.opensource.org) or under a similar licensing or distribution model (including under a GNU General Public License (GPL), a GNU Lesser General Public License (LGPL), a Mozilla Public License (MPL), a BSD license, an Artistic License, a Netscape Public License, a Sun Community Source License (SCSL), a Sun Industry Standards License (SISL) and an Apache License.

"Operating Agreement" means that certain Operating Agreement of the Company, dated as of May 3, 2016.

"Option Plan" means the Company's 1998 Key Employee Stock Option Plan, as amended, and 2009 Key Employees' Incentive Stock Option Plan.

"Option Repurchase Payment" means the aggregate amount owed by the Company to all of the Former Option Holders in connection with the cash-out of Options upon termination of the Option Plan.

"Options" means options, warrants, convertible securities (including convertible promissory notes) or other rights to subscribe for or purchase any equity securities or other equity interests of the Company, or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire, any equity securities of the Company.

"Order" means any order, decree, ruling, judgment, injunction, writ, determination, binding decision, verdict, judicial award or other action that is or has been made, entered, rendered, or otherwise put into effect by or under the authority of any Governmental Authority.

"Ordinary Course of Business" means, with respect to a Person, an action taken by such Person if: (a) such action is recurring in nature, is consistent with the past practices of the Person and is taken in the ordinary course of the normal day to day operations of the Person; (b) such action is not required to be authorized by the equity holders of such Person, the board of directors (or equivalent) of such Person or

any committee of the board of directors (or equivalent) of such Person and does not require any other special authorization of any nature; and (c) such action is similar in nature and magnitude to actions customarily taken without any special authorization in the ordinary course of the normal day-to-day operations of comparable entities. Unless the context or language herein requires otherwise, each reference to Ordinary Course of Business will be deemed to be a reference to Ordinary Course of Business of the Company.

"Permit" means any federal, state, local, foreign or other third-party permit, grant, easement, consent, approval, authorization, exemption, license, franchise, concession, ratification, permission, clearance, confirmation, endorsement, waiver, certification, designation, rating, registration or qualification that is or has been issued, granted, given or otherwise made available to the Company, as applicable, by or under the authority of any Governmental Authority or other Person.

"Permitted Liens" means: (a) Liens for Taxes not yet due and payable, and (b) statutory Liens of landlords, carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by Law in the Ordinary Course of Business for sums not yet due and payable.

"Person" means any individual, partnership, joint venture, corporation, trust, unincorporated organization, limited liability company, group, Governmental Authority, and any other person or entity.

"Personal Property" means all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, spare parts and other tangible personal property which are owned, used or leased by the Company and used or useful in the conduct of the Company's business or the operations of the Company's business or intended by the Company for use in connection with the Company's business or the operations of the Company's business, including the Personal Property identified on Schedule 2.10.

"Previously Acquired Entities" means some or all of the equity securities of any Person, or a material amount of assets of any Person, acquired by the Company at any time in the past five (5) years.

"Regulations" means the United States treasury regulations promulgated under the Code.

"Response Action Contractor" means a Person that holds a response action contract to provide professional architect/engineering services to the U.S. Environmental Protection Agency to support response planning and oversight of activities under the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reorganization Act of 1986.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Seller Expenses" means the aggregate of: (a) all fees and expenses payable by the Company or its Subsidiaries, the Majority Owners or the Seller, in connection with the consummation of the transactions contemplated hereby (or incurred in connection with the transactions hereunder) including any of the foregoing payable to legal counsel, accountants, investment bankers, financial advisors, brokers, finders, or consultants plus (b) any transfer, sale, use, stamp, conveyance, value added, recording, registration, documentary, filing and other non-income Taxes and administrative and filing fees (including notary fees) arising in connection with the consummation of the transaction contemplated by the Agreement and payable by or on behalf of the Company or its Subsidiaries, the Majority Owners or the Seller.

"Social Media" means online communications channels dedicated to community-based input, social networking and interaction, content-sharing and collaboration. Websites and applications dedicated to forums, microblogging, social networking, social bookmarking, social curation, and wikis are included in the term "Social Media." For the avoidance of doubt, Facebook, Twitter, Instagram, Linked In, Google+ are examples of Social Media.

"Spread" means an amount equal to the absolute value of the Actual Net Working Capital minus the Estimated Net Working Capital.

"Statutory Representations" means the representations and warranties made in Section 2.17 (Tax Matters), Section 2.19 (Employee Benefit Plans; ERISA), Section 2.21 (Environmental Matters), Section 3.7 (Corporation Stockholder) and Section 3.8 (Seller Taxes).

"Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which: (a) if a corporation, a majority of the total voting power of equity 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 (b) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests 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. For purposes of the Agreement, a Person(s) will be deemed to have a majority ownership interest in a corporation, limited liability company, partnership, association or other business entity if such Person(s) is allocated a majority of such entity's gains or losses, or such Person(s) is in Control of such entity. Unless the context requires otherwise, each reference to a Subsidiary will be deemed to be a reference to a Subsidiary of the Company.

"Target Working Capital" means Three Million Five Hundred Thousand Dollars ($3,500,000.00).

"Tax" means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing; it being understood that the foregoing will include any transferee or secondary liability for a Tax and any liability assumed or arising as a result of being, having been, or ceasing to be a member of any Affiliated Group (or being included or required to be included in any Tax Return relating thereto) or as a result of any Tax indemnity, Tax sharing, Tax allocation or similar Contract.

"Tax Return" means any return, declaration, report, Claim for refund, information return or other documents (including any related or supporting schedules, statements or information) filed or required to be filed in connection with the determination, assessment or collection of any Taxes of the Company or any Affiliates of the Company, other than the Majority Owners, or the administration of any Laws or administrative requirements relating to any Taxes.

"Taxing Authority" means any Governmental Authority with the power to levy or collect Taxes.

"Trade Compliance Laws" means any requirement of Law relating to the regulation of exports, re-exports, transfers, releases, shipments, transmissions or any other provision of goods, technology, software or services.

"Transaction Documents" means the Agreement and each agreement, instrument or document attached hereto as an Exhibit, and the other agreements, certificates and instruments to be executed or delivered by any of the parties hereto in connection with or pursuant to the Agreement.

"Used" means use, reproduce, modify, create derivative works of, distribute, display, incorporate, and perform, develop, make, have made, sell, offer to sell, import, lease, license, and otherwise exploit.

"VWAP" means the dollar volume-weighted average price for the Common Stock on the Nasdaq Capital Market during the period beginning at 9:30:01 a.m., New York time (or such other time as the Nasdaq Capital Market publicly announces is the official open of trading), and ending at 4:00:00 p.m., New York time (or such other time as the Nasdaq Capital Market publicly announces is the official close of trading), as reported by Bloomberg, L.P. through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time (or such other time as Nasdaq publicly announces is the official open of trading), and ending at 4:00:00 p.m., New York City Time (or such other time as Nasdaq publicly announces is the official close of trading), as reported by Bloomberg, L.P., or, if no dollar volume-weighted average price is reported for such security by Bloomberg, L.P. for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the "pink sheets" by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.). If the VWAP cannot be calculated for the Buyer Common Stock on a particular date on any of the foregoing bases, the VWAP of the Common Stock shall be the fair market value of the Buyer Common Stock on such date as determined by the Buyer's Board of Directors in good faith.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the parties have executed this Equity Purchase Agreement as of the date first written above.

BUYER:

DLH Holdings Corp.

By: /s/ Zachary C. Parker
Name: Zachary Parker
Title: President & Chief Executive Officer

COMPANY:

Danya International LLC

By: /s/ Jeffrey A. Hoffman
Name: Jeffrey A. Hoffman
Title: CEO

SELLER:

DI Holdings, Inc.

By: /s/ Jeffrey A. Hoffman
Name: Jeffrey A. Hoffman
Title: CEO

(Signatures continue on following page.)

MAJORITY OWNERS:

/s/ Jeffrey Hoffman
Jeff Hoffman, individually

/s/ Jeffrey Hoffman
Jeffrey Hoffman Trustee of the Jeffrey Hoffman GRAT individually

/s/Todd Hoffman, Trustee
Todd Hoffman, Trustee of the Jeffrey Hoffman

Exhibit 4.1

Promissory Note – Term Loan

$25,000,000.00 May 2, 2016

FOR VALUE RECEIVED, DLH Holdings Corp., a New Jersey corporation, DLH Solutions, Inc., a Georgia corporation and Danya International, LLC a Maryland limited liability company (collectively, the "Borrower"), hereby promises to pay to the order of Fifth Third Bank, an Ohio banking corporation (together with any and all of its successors and assigns and/or any other holder of this Note, "Bank"), without offset, in immediately available funds in lawful money of the United States of America, at Atlanta, Georgia, the principal sum of TWENTY FIVE MILLION and No/100 Dollars ($25,000,000.00) (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

Section 1 Interest, Payment Schedule and Maturity Date. Interest shall accrue and be payable on this Note as set forth in Section 2 of the Loan Agreement dated as of May 2, 2016 (the "Loan Agreement") as the same may from time to time be amended, restated, modified or supplemented, between Bank and Borrower. Interest under this Note shall also be due and payable when this Note shall become due (whether at maturity, by reason of acceleration or otherwise). Overdue principal and, to the extent permitted by law, overdue interest, shall bear interest payable on DEMAND at the Default Rate. All then outstanding principal shall be payable on the Term Note Maturity Date.

Section 2 Loan Documents. This Note shall be secured by all collateral pledged by Borrower securing any Indebtedness owing by Borrower to Bank as set forth in that certain Security Agreement, dated as of the date hereof, by and between Borrower and the Bank. This Note and any security agreements, pledges, and the Loan Agreement as the same may from time to time be amended, restated, modified or supplemented, are herein sometimes called individually a "Loan Document" and together the "Loan Documents." This Note is being issued, and is subject, to the terms and conditions set forth in the Loan Agreement. All capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement, except to the extent such capitalized terms are otherwise defined or limited herein.

Section 3 Certain Provisions Regarding Payments. All payments made under this Note shall be applied, as set forth in the Loan Agreement. Remittances shall be made without offset, demand, counterclaim, deduction, or recoupment (each of which is hereby waived) and shall be accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Bank of any payment in an amount less than the amount then due on any indebtedness shall be deemed an acceptance on account only, notwithstanding any notation on or accompanying such partial payment to the contrary, and shall not in any way (a) waive or excuse the existence of an Event of Default, (b) waive, impair or extinguish any right or remedy available to Bank hereunder or under the other Loan Documents, or (c) waive the requirement of punctual payment and performance or constitute a novation in any respect. Whenever any payment under this Note or any

other Loan Document falls due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 4 Events of Default. Subject to the provisions of the Loan Agreement with respect to Borrower's right to notice and opportunity to cure or any applicable grace period, the occurrence of an "Event of Default" under, and as such term is defined in, the Loan Agreement shall constitute an Event of Default hereunder. Upon the occurrence and during the continuation of an Event of Default, Bank shall have the rights and remedies set forth in Section 9 of the Loan Agreement.

Section 5 Remedies. Subject to the provisions of the Loan Agreement with respect to Borrower's right to notice and opportunity to cure, upon the occurrence of an Event of Default, Bank may accelerate the Maturity Date and declare the unpaid principal balance and accrued but unpaid interest on this Note due and payable, and Bank may exercise any of its other rights, powers and remedies under the Loan Documents or at law or in equity.

Section 6 Remedies Cumulative. All of the rights and remedies of Bank under this Note and the other Loan Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Bank of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Bank of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Bank to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

Section 7 Service of Process. Borrower hereby consents to process being served in any suit, action, or proceeding instituted in connection with this Note by the mailing of a copy thereof by certified mail, postage prepaid, return receipt requested, to Borrower. Borrower irrevocably agrees that such service shall be deemed to be service of process upon Borrower in any such suit, action, or proceeding. Nothing in this Note shall affect the right of Bank to serve process in any manner otherwise permitted by law and nothing in this Note will limit the right of Bank otherwise to bring proceedings against Borrower in the courts of any jurisdiction or jurisdictions, subject to any provision or agreement for arbitration or dispute resolution set forth in the Loan Agreement.

Section 8 Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted under the Loan Documents.

Section 9 General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. Borrower and each party executing this Note as Borrower hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Bank shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the State specified in the governing law section of the

Loan Agreement for the enforcement of any and all obligations under this Note and the other Loan Documents. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. This Note and its validity, enforcement and interpretation shall be governed by the laws of the state in which payment of this Note is to be made (without regard to any principles of conflicts of laws) and applicable United States federal law. Whenever a time of day is referred to herein, unless otherwise specified such time shall be the local time of the place where payment of this Note is to be made. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 10 Notices. Any notice, request, or demand to or upon Borrower or Bank shall be deemed to have been properly given or made when delivered in accordance with the terms of the Loan Agreement regarding notices.

Section 11 No Usury. It is expressly stipulated and agreed to be the intent of Borrower and Bank at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Bank to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Bank's exercise of the option to accelerate the Maturity Date, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by applicable law, then it is Bank's express intent that all excess amounts theretofore collected by Bank shall be credited on the principal balance of this Note and all other indebtedness secured by the Collateral Documents, and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Bank for the use or forbearance of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF GEORGIA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

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IN WITNESS WHEREOF, Borrower has caused its authorized representative to duly execute this Note under seal as of the date first above written.

BORROWER:
DLH Holdings Corp.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Attest: /s/

[Corporate Seal]

DLH Solutions, Inc.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Attest: /s/

[Corporate Seal]

Danya International, LLC

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Attest: /s/

[Corporate Seal]

Exhibit 4.2

Promissory Note – Revolving Line of Credit

$10,000,000.00 May 2, 2016

FOR VALUE RECEIVED, DLH Holdings Corp., a New Jersey corporation, DLH Solutions Corp., a Georgia corporation, and Danya International, LLC a Maryland limited liability company, (collectively, the "Borrower"), hereby promises to pay to the order of Fifth Third Bank, an Ohio banking corporation (together with any and all of its successors and assigns and/or any other holder of this Note, "Bank"), without offset, in immediately available funds in lawful money of the United States of America, at Atlanta, Georgia the principal sum of TEN MILLION and No/100 Dollars ($10,000,000.00) (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided.

Section 1 Interest, Payment Schedule and Maturity Date. Interest shall accrue and be payable on this Note as set forth in Section 2 of the Loan Agreement dated as of May 2, 2016, (the "Loan Agreement") as the same may from time to time be amended, restated, modified or supplemented, between Bank and Borrower. Interest under this Note shall also be due and payable when this Note shall become due (whether at maturity, by reason of acceleration or otherwise). Overdue principal and, to the extent permitted by law, overdue interest, shall bear interest payable on DEMAND at the Default Rate. All then outstanding principal shall be payable on the Revolving Line of Credit Maturity Date.

Section 2 Loan Documents. This Note shall be secured by all collateral pledged by Borrower securing any Indebtedness owing by Borrower to Bank as set forth in that certain Security Agreement, dated as of the date hereof, by and between Borrower and the Bank. This Note and any security agreements, pledges, and the Loan Agreement as the same may from time to time be amended, restated, modified or supplemented, are herein sometimes called individually a "Loan Document" and together the "Loan Documents." This Note is being issued, and is subject, to the terms and conditions set forth in the Loan Agreement. All capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement, except to the extent such capitalized terms are otherwise defined or limited herein.

Section 3 Certain Provisions Regarding Payments. All payments made under this Note shall be applied, as set forth in the Loan Agreement. Remittances shall be made without offset, demand, counterclaim, deduction, or recoupment (each of which is hereby waived) and shall be accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Bank of any payment in an amount less than the amount then due on any indebtedness shall be deemed an acceptance on account only, notwithstanding any notation on or accompanying such partial payment to the contrary, and shall not in any way (a) waive or excuse the existence of an Event of Default, (b) waive, impair or extinguish any right or remedy available to Bank hereunder or under the other Loan Documents, or (c) waive the requirement of punctual payment and performance or constitute a novation in any respect. Whenever any payment under this Note or any

other Loan Document falls due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 4 Events of Default. Subject to the provisions of the Loan Agreement with respect to Borrower's right to notice and opportunity to cure or any applicable grace period, the occurrence of an "Event of Default" under, and as such term is defined in, the Loan Agreement shall constitute an Event of Default hereunder. Upon the occurrence and during the continuation of an Event of Default, Bank shall have the rights and remedies set forth in Section 9 of the Loan Agreement.

Section 5 Remedies. Subject to the provisions of the Loan Agreement with respect to Borrower's right to notice and opportunity to cure, upon the occurrence of an Event of Default, Bank may accelerate the Maturity Date and declare the unpaid principal balance and accrued but unpaid interest on this Note due and payable, and Bank may exercise any of its other rights, powers and remedies under the Loan Documents or at law or in equity.

Section 6 Remedies Cumulative. All of the rights and remedies of Bank under this Note and the other Loan Documents are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Bank of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Bank of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Bank to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

Section 7 Service of Process. Borrower hereby consents to process being served in any suit, action, or proceeding instituted in connection with this Note by the mailing of a copy thereof by certified mail, postage prepaid, return receipt requested, to Borrower. Borrower irrevocably agrees that such service shall be deemed to be service of process upon Borrower in any such suit, action, or proceeding. Nothing in this Note shall affect the right of Bank to serve process in any manner otherwise permitted by law and nothing in this Note will limit the right of Bank otherwise to bring proceedings against Borrower in the courts of any jurisdiction or jurisdictions, subject to any provision or agreement for arbitration or dispute resolution set forth in the Loan Agreement.

Section 8 Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the successors and assigns of the parties. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted under the Loan Documents.

Section 9 General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. Borrower and each party executing this Note as Borrower hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Bank shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the State specified in the governing law section of the

Loan Agreement for the enforcement of any and all obligations under this Note and the other Loan Documents. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. This Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. This Note and its validity, enforcement and interpretation shall be governed by the laws of the state in which payment of this Note is to be made (without regard to any principles of conflicts of laws) and applicable United States federal law. Whenever a time of day is referred to herein, unless otherwise specified such time shall be the local time of the place where payment of this Note is to be made. The words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 10 Notices. Any notice, request, or demand to or upon Borrower or Bank shall be deemed to have been properly given or made when delivered in accordance with the terms of the Loan Agreement regarding notices.

Section 11 No Usury. It is expressly stipulated and agreed to be the intent of Borrower and Bank at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Bank to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Bank's exercise of the option to accelerate the Maturity Date, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by applicable law, then it is Bank's express intent that all excess amounts theretofore collected by Bank shall be credited on the principal balance of this Note and all other indebtedness secured by the Collateral Documents, and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Bank for the use or forbearance of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF GEORGIA, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Borrower has caused its authorized representative to duly execute this Note under seal as of the date first above written.

BORROWER:

DLH Holdings Corp.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Attest: /s/

[Corporate Seal]

DLH Solutions, Inc.

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Attest: /s/

[Corporate Seal]

Danya International, LLC

By: /s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull

Attest: /s/

[Corporate Seal]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE FEDERAL OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR HYPOTHECATED IN ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH LAWS AS MAY BE APPLICABLE OR, AN OPINION OF COUNSEL THAT AN EXEMPTION FROM SUCH APPLICABLE LAWS EXIST.

THIS INSTRUMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF MAY 2, 2016, BY AND AMONG WYNNEFIELD PARTNERS SMALL CAP VALUE, LP, WYNNEFIELD PARTNERS SMALL CAP VALUE, LP I AND WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND, LTD ("THE "SUBORDINATED LENDER"), DLH HOLDINGS CORP (THE "COMPANY"), AND FIFTH THIRD BANK ("SENIOR LENDER") RELATING TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE COMPANY PURSUANT TO THAT CERTAIN LOAN AGREEMENT DATED AS OF MAY 2, 2016, AS AMENDED FROM TIME TO TIME, AND THE LOAN DOCUMENTS (AS DEFINED IN THE LOAN AGREEMENT) AS SUCH LOAN AGREEMENT AND LOAN DOCUMENTS MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS THEREUNDER AS CONTEMPLATED BY THE SUBORDINATION AGREEMENT; AND THE HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT.

DLH HOLDINGS CORP.
SUBORDINATED NOTE

No. 2016- May 2, 2016

U.S. $[ ]

1. Subordinated Note.

This Subordinated Note is one of a duly authorized series of Subordinated Notes in the aggregate principal amount of $2,500,000.00 (individually, the "Subordinated Note" and collectively, the "Subordinated Notes") of DLH HOLDINGS CORP., a New Jersey corporation (the "Company"). This Subordinated Note is being issued pursuant to the Purchase Agreement (as defined in Section 8 hereof) and by its acceptance of this Subordinated Note, the Holder agrees to be bound by the terms of the Purchase Agreement. The Subordinated Notes are unsecured obligations of the Company and are subordinated to the Senior Credit Facility as set forth under the terms and conditions of that certain Subordination Agreement dated as of May 2, 2016, among the Company, the original Holder, and Senior Lender (the "Subordination Agreement"). Any transferee of this Subordinated Note, by acceptance of such transfer, agrees to assume, agree to and accept the terms of such Subordination Agreement. Capitalized terms used and not otherwise defined herein or in the Purchase Agreement, shall have the respective meanings given to those terms in Section 8 hereof.

2. Principal and Interest.

(a) The Company for value received, hereby promises to pay to [_____] or its registered assigns (the "Holder"), (i) the principal sum of [_____] DOLLARS (U.S $[_____]) and (ii) all accrued and unpaid interest thereon on the earlier of the Maturity Date (defined below), or the Accelerated Payment Date (as defined below). Interest is payable in cash on the first to occur of November 2, 2021 (the "Maturity Date"), Accelerated Payment Date or on the date of any prepayment. As used herein, the term "Accelerated Payment Date" shall mean a date within three Business Days from the date that the Company consummates an equity financing transaction, or series of equity financing transactions during the term of the Subordinated Note,

resulting in aggregate cash proceeds to the Company of at least $2,500,000.00, including, but not limited to, the Rights Offering.

(b) This Subordinated Note shall bear interest at the rate of 4% per annum (the "Interest Rate"). Interest on this Subordinated Note shall by payable in cash on the Maturity Date, the Accelerated Payment Date, an acceleration of payment in connection with an Event of Default in accordance with Section 6(b) hereof, or any earlier prepayment of the principal amount of this Subordinated Note, as the case may be, at which time all accrued and unpaid interest shall be immediately due and payable. All computations of interest payable hereunder shall be on the basis of a 365-day year and actual days elapsed in the period for which such interest is payable.

(c) Payment of the principal of (and premium, if any, on), and Interest on this Subordinated Note shall be made upon the surrender of this Subordinated Note to the Company, at its chief executive office (or such other office within the United States as shall be designated by the Company to the Holder hereof) (the "Designated Office"), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment of principal, Interest and all other amounts payable with respect to the Subordinated Notes shall be made by wire transfer in immediately available funds to the Holder; provided that if the Holder entitled thereto shall not have furnished wire instructions in writing to the Company on or prior to the third Business Day immediately prior to the date on which the Company makes such payment, such payment may be made by U.S. dollar check mailed to the address of the Holder entitled thereto as such address shall appear on the signature page herewith.

3. Reserved.

4. Prepayment. At any time and from time to time prior to the Maturity Date, upon no less than 30 days' written notice by the Company to the Holder (the "Prepayment Notice"), all or a portion of the then outstanding Subordinated Notes may be redeemed by payment of the principal amount thereof, plus the unpaid interest which has accrued on the principal of the outstanding Subordinated Notes at the end of such 30-day notice period (the "Prepayment Amount"). The last day of such 30 day notice period shall be the "Prepayment Date".

5. Covenants of the Company.

(a) Payment of Principal and Interest. The Company covenants and agrees that it will duly and punctually pay or cause to be paid the principal of, and interest on this Subordinated Note, at the time and in the manner provided for herein.

(b) Preservation of Business. Unless otherwise permitted herein, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and the rights (charter and statutory) of the Company; provided, however, that the Company shall not be required to preserve any such right if (a) the Company shall determine in good faith that the preservation thereof is no longer desirable in the conduct of the business of the Company and that the loss thereof is not disadvantageous in any material respect to the Holder or (b) the Company shall no longer continue to have such right as a result of a good faith, arms-length transaction with a Person that is not an Affiliate of the Company.

(c) Financial Information. From time to time while this Subordinated Note remains outstanding, the Company shall furnish to the Holder, pursuant to the confidentiality provisions of the Purchase Agreement, twelve-month cash flow projections as and at the same time that such information is furnished to the Company's Board of Directors or audit committee of the Board of Directors.

(d) Equity Financing. The Company will agree to use commercially reasonable efforts to effectuate an equity financing for gross proceeds to the Company of at least $2,500,000.00 within six months of the date of issuance of this Subordinated Note.

6. Events of Default.

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

(1) the Company defaults in the payment of the principal or premium, if any (a "Defaulted Payment") on any of the Subordinated Notes when the same becomes due and payable at the Maturity Date, and such default continues for 15 days or longer;

(2) the Company fails to perform or observe any other term, covenant or agreement contained in this Subordinated Note or the Purchase Agreement, and the default continues for a period of 30 days after written notice of such failure, requiring the Company to remedy the same, shall have been given to the Company by the holders of at least a Majority in Interest of the outstanding Subordinated Notes;

(3) any representation or warranty made or deemed made by or on behalf of the Company in or in connection with the Purchase Agreement or in the other agreements entered into in connection herewith, shall have been incorrect in any material respect when made or deemed made;

(4) the Company shall fail to make any payment (whether of principal, interest or otherwise and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable, after giving effect to any grace or cure periods with respect thereto. As used herein, the term "Material Indebtedness" means Indebtedness (other than (i) the indebtedness incurred hereunder and (ii) pursuant to the Company's Senior Credit Facility (defined below) in an aggregate principal amount exceeding $100,000;

(5) an event of default has been declared by the Senior Lender with respect to the Company's Senior Credit Facility and after giving effect to any grace or cure periods with respect thereto such event of default has not be cured or waived by such Senior Lender;

(6) a final judgment or judgments for the payment of money in excess of $100,000 in the aggregate (exclusive of judgment amounts fully covered by insurance where the insurer has admitted liability in respect of such judgment), shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against the Company and the same shall not be discharged (or provision shall not be made for such discharge), bonded, or a stay of execution thereof shall not be procured, within 60 days from the date of entry thereof and the Company shall not, within said period of 60 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(7) there shall occur, without the consent of the Majority-in-Interest, any Change of Control;

(8) the Company shall fail to timely file the periodic reports required to be filed by it under the Exchange Act, as amended, after giving effect to any extensions of such relevant time

periods as provided for under the rules and regulations adopted by the U.S. Securities and Exchange Commission;

(9) any proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law relating to the Company or to all or any material part of its properties is instituted against the Company without its consent and continues undismissed or unsteady for sixty (60) calendar days, or any order for relief is entered in any such proceeding or there is an entry by a court having competent jurisdiction of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, under any applicable U.S. federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs;

(10) the commencement by the Company of a voluntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable U.S. federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the consent by the Company to the appointment of or the taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or the making by the Company of an assignment for the benefit of creditors; or

(11) the Acquisition shall not have been consummated within 30 days following the issuance of this Subordinated Note.

(b) Acceleration of Payment. If an Event of Default (other than an Event of Default specified in Section 6(a)(9) or 6(a)(10) hereof with respect to the Company) occurs and is continuing, the holders of at least a Majority in Interest of the Subordinated Notes, by written notice to the Company, may declare due and payable the principal amount of this Subordinated Note and all other outstanding Subordinated Notes, plus any accrued and unpaid interest to the date of payment. Upon a declaration of acceleration, such principal and accrued and unpaid interest, to the date of payment shall be immediately due and payable. If an Event of Default specified in Section 6(a)(9) or 6(a)(10) occurs with respect to the Company, the principal, if any, and accrued and unpaid interest, on this Subordinated Note shall become and be immediately due and payable, without any declaration or other act on the part of the Holder. The exercise of the rights of the Holders set forth in Sections 6(b) – (d), however, is subject to the Company's obligations with respect to the Senior Indebtedness.

The holders of not less than a Majority in Interest of the principal of the outstanding Subordinated Notes may, on behalf of the holders of all of the Subordinated Notes, rescind and annul an acceleration and its consequences (including waiver of any defaults) if: (1) all existing Events of Default, other than the nonpayment of a Defaulted Payment on this Subordinated Note and any of the other Subordinated Notes that have become due solely because of the acceleration, have been remedied, cured or waived, and (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

(c) Collections. If an Event of Default with respect to this Subordinated Note occurs and is continuing, the Holder may pursue any available remedy by proceeding at law or in equity to collect

the Defaulted Payment or interest due and payable on this Subordinated Note or to enforce the performance of any provision of this Subordinated Note.

(d) Right to Receive Payment Upon Default. Notwithstanding any other provision in this Subordinated Note, the Holder of this Subordinated Note shall have the right, which is absolute and unconditional, to receive payment of the principal and interest in respect of the Subordinated Notes held by the Holder, on or after the final Maturity Date, or to bring suit for the enforcement of any such payment on or after such date, and such rights shall not be impaired or affected adversely without the consent of the Holder.

(e) No Exclusive Right or Remedy. Except as otherwise provided herein, no right or remedy conferred in this Subordinated Note upon the Holder is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(f) No Waiver of Right or Remedy. No delay or omission of the Holder of this Subordinated Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or any acquiescence therein. Every right and remedy given by this Section 6 or by law to the Holder may be exercised from time to time, and as often as may be deemed expedient, by the Holder.

7. Restrictions on Transfer.

(a) This Subordinated Note has not been registered under the Securities Act, or the securities laws of any state or other jurisdiction. Neither this Subordinated Note nor any interest or participation herein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of (a "Transfer") in the absence of such registration, unless (i) such transaction is exempt from, or not subject to, registration under the Securities Act or the securities laws of any state or other jurisdiction and (ii) is made in compliance with applicable federal and state statutory resale restrictions, if any. The Holder by its acceptance of this Subordinated Note agrees that it shall not offer, sell, assign, transfer, pledge, encumber or otherwise dispose of this Subordinated Note or any portion thereof or interest therein other than in a minimum denomination of $50,000 principal amount (or any integral multiple of $10,000 in excess thereof) and then (other than with respect to a Transfer pursuant to a registration statement that is effective at the time of such Transfer) only (a) to the Company, (b) to an Affiliate of the Holder, (c) to a person it reasonably believes to be an "accredited investor" within the meaning of Rule 501(a) under the Securities Act, or (d) pursuant to a transaction in compliance with Rule 144 or Rule 144A under the Securities Act, and in the case of (b), (c) and (d) above in which the transferor furnishes the Company with such certifications, legal opinions or other information as the Company may reasonably request to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act as applicable.

(b) The Holder represents that it is an "accredited investor" within the meaning of Rule 501 of the Securities Act. The Holder has been advised that this Subordinated Note has not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless it is registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. The Holder is aware that the Company is under no obligation to effect any such registration or to file for or comply with any exemption from registration. The Holder has not been formed solely for the purpose of making this investment and is acquiring the Subordinated Note for its own account for investment, and not with a view to, or for resale in connection with, the distribution

thereof. The Holder further represents to the Company that it has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Subordinated Note, and has so evaluated the merits and risks of such investment; and is able to bear the economic risk of an investment in the Note and, at the present time, is able to afford a complete loss of such investment.

(c) The Company shall cooperate with the Holder and take all actions reasonably necessary to effectuate any Transfer of this Subordinated Note by the Holder that is permitted under this Section.

8. Definitions.

Unless otherwise defined in this Subordinated Note, the following capitalized terms shall have the following respective meanings when used herein. Other capitalized terms used in this Subordinated Note that are not defined herein shall have the respective meanings ascribed to such terms as set forth in the Purchase Agreement:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Board of Directors" means the board of directors of the Company or any authorized committee of the board of directors.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which the banking institutions in the City of New York, New York are authorized or obligated by law or executive order to close or be closed.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interest in (however designated) equity of such Person, but excluding any debt securities convertible into such equity.

"Change of Control" means if any Person or group of Persons acting in concert, other than the owners of more than 10% of outstanding securities of the Company as of Closing Date, having voting rights in the election of directors, shall acquire beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of more than 50% of the outstanding voting securities of the Company having voting rights in the election of directors.

"Defaulted Payment" has the meaning set forth in Section 6 hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

"Holder" means the person in whose name this Subordinated Note is registered on the Subordinated Note Register.

"Indebtedness" shall have the meaning ascribed to such term as set forth in Section 1.1 of the Purchase Agreement.

"Majority in Interest" has the meaning set forth in Section 9(d).

"Maturity Date" has the meaning set forth in Section 2(a) hereof.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"Purchase Agreement" means the Note Purchase Agreement, dated as of _____, 2016 among the Company and the initial holders of the Subordinated Notes.

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

"Senior Credit Facility" shall have the meaning ascribed to such term as set forth in Section 1.1 of the Purchase Agreement.

"Senior Lender" shall have the meaning ascribed to such term as set forth in Section 1.1 of the Purchase Agreement.

"Subsidiary" means, in respect of any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person.

"Subordinated Note Register" means the register or other ledger maintained by the Company that records the record owners of the Subordinated Notes.

9. Miscellaneous.

(a) Payment. No provision of this Subordinated Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any) and interest, if any, on this Subordinated Note at the times, places and rate, and in the coin or currency, herein prescribed. This Subordinated Note is issued upon the express condition, to which each successive holder expressly assents and by receiving the same agrees, that no recourse under or upon any obligation, covenant or agreement of the Subordinated Note, or for the payment of the principal of, or the Interest on, the Subordinated Note, or for any claim based on the Subordinated Note, or otherwise in respect hereof, shall be had against any incorporator or any past, present or future stockholder, officer or director, as such, of the Company or of any successor corporation, whether by virtue of the constitution, statute or rule of law or by any assessment or penalty or otherwise howsoever, all such individual liability being hereby expressly waived and released as a condition of and as a part of the consideration for the execution and issue of the Subordinated Note.

(b) Notice. The Company will give prompt written notice to the Holder of this Subordinated Note of any change in the location of the Designated Office. Any notice to the Company or to the holder of this Subordinated Note shall be given in the manner set forth in the Purchase Agreement; provided that the Holder of this Subordinated Note, if not a party to such Purchase Agreement, may specify alternative notice instructions to the Company.

(c) Transfer. (1) Subject to Holder's compliance with Section 7 hereof, the transfer of this Subordinated Note is registrable on the Subordinated Note Register upon surrender of this Subordinated Note for registration of transfer at the Designated Office, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company duly executed by, the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Subordinated Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer, but the Company may require payment of a sum sufficient to recover any tax or other governmental charge payable in connection therewith. Prior to due presentation of this Subordinated Note for registration of transfer, the Company and any agent of the Company may treat the Person in whose name this Subordinated Note is registered as the owner thereof for all purposes, whether or not this Subordinated Note be overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

(2) Subject to Holder's compliance with Section 7 hereof, upon presentation of this Subordinated Note for registration of transfer at the Designated Office accompanied by (i) certification by the transferor that such transfer is in compliance with the terms hereof and (ii) by a written instrument of transfer in a form approved by the Company executed by the Holder, in person or by the Holder's attorney thereunto duly authorized in writing, and including the name, address and telephone and fax numbers of the transferee and name of the contact person of the transferee, such Subordinated Note shall be transferred on the Subordinated Note Register, and a new Subordinated Note of like tenor and bearing the same legends shall be issued in the name of the transferee and sent to the transferee at the address and c/o the contact person so indicated. Transfers and exchanges of Subordinated Notes shall be subject to such additional restrictions as are set forth in the legends on the Subordinated Notes and to such additional reasonable regulations as may be prescribed by the Company as specified in this Subordinated Note. Successive registrations of transfers as aforesaid may be made from time to time as desired, and each such registration shall be Subordinated Noted on the Subordinated Note register.

(3) Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Subordinated Note, and in the case of loss, theft or destruction, receipt of indemnity reasonably satisfactory to the Company and upon surrender and cancellation of this Subordinated Note, if mutilated, the Company will deliver a new Subordinated Note of like tenor and dated as of such cancellation, in lieu of such Subordinated Note.

(d) Amendments; Waivers. Neither this Subordinated Note nor any term hereof may be amended or waived orally or in writing, except that any term of this Subordinated Note and the other Subordinated Notes may be amended and the observance of any term of this Subordinated Note and the other Subordinated Notes may be waived (either generally or in a particular instance and either retroactively or prospectively), and such amendment or waiver shall be applicable to all of the Subordinated Notes, upon the approval of the Company and the holders of fifty-one percent (51%) or more of the outstanding principal amount of all then outstanding Subordinated Notes (a "Majority in Interest"); provided, however, that any amendment that would (i) change the maturity of the principal of or any installment of interest on any of the Subordinated Notes, (ii) reduce the principal amount of, or interest on any Subordinated Note, (iii) reduce the percentage in aggregate principal amount of Subordinated Notes outstanding necessary to modify or amend the Subordinated Notes or to waive any past default; or (iv) modify this Section 9(d) shall, in each case, require the approval of the holder of each Subordinated Note to which such amendment shall apply. The Company may, without the consent of any holder of the Subordinated Notes, amend the Subordinated Notes for the purpose curing any ambiguity or correcting or supplementing any defective provision contained in the Subordinated Notes; provided that such modification or amendment does not, in the good faith opinion of the Board of Directors, adversely affect the interests of the holders of the Subordinated Notes in any material respect, or adding or modifying any other provisions with respect to

matters or questions arising under the Subordinated Notes which the Company may deem necessary or desirable and which will not adversely affect the interests of the holders of the Subordinated Notes. The Company will not amend any provision of any other Subordinated Note in a manner favorable to any holder thereof unless a similar amendment is made or offered with respect to all of the Subordinated Notes.

(e) Governing Law. **THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

(f) Headings. Section headings used herein are for convenience of reference only, are not part of this Subordinated Note and shall not affect the construction of, or be taken into consideration in interpreting, this Subordinated Note.

(g) Severability. If any provision of this Subordinated Note is invalid, illegal or unenforceable, the balance of this Subordinated Note shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. This Subordinated Note is subject to the express condition that at no time shall the Company be obligated or required to pay interest hereunder at a rate which could subject the Holder or any other Person to either civil or criminal liability as a result of being in excess of the maximum interest rate which the Company is permitted by applicable law to contract or agree to pay. If by the terms of this Subordinated Note, the Company is at any time required or obligated to pay interest hereunder at a rate in excess of such maximum rate, the rate of interest under this Subordinated Note shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of this Subordinated Note.

(h) Entirety. This Subordinated Note constitutes the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

[Remainder of page intentionally left blank.]

[DLH Subordinated Note signature page appears next]

[DLH Subordinated Note Signature Page]

IN WITNESS WHEREOF, the Company has caused this Subordinated Note to be duly executed on the date first written above.

DLH HOLDINGS CORP.

By: _____
Name: Zachary C. Parker
Title: Chief Executive Officer

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS EXERCISABLE HAS BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT, OR APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN AVAILABLE EXEMPTION THEREFROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

THE TRANSFERABILITY OF THIS WARRANT IS RESTRICTED AS PROVIDED IN SECTION 4

DLH HOLDINGS CORP.
COMMON STOCK PURCHASE WARRANT

Dated as of: May 2, 2016

No. of Warrant Shares: [ ]
Warrant No. DLH 2016 W [ ]

For good and valuable consideration, the receipt of which is hereby acknowledged by **DLH HOLDINGS CORP.**, a New Jersey corporation (the "Company"), _____ (the "Holder"), is hereby granted the right to purchase, during the Exercise Period, up to _____(_____) fully-paid and non-assessable shares of the Company's Common Stock, $.001 par value per share ("Common Stock"), at the Exercise Price stated below, subject to the provisions and limitations and upon the terms and conditions hereinafter set forth. This warrant (the "Warrant") is issued by the Company pursuant to that certain Note Purchase Agreement between the Company and the original Holder of this Warrant dated May 2, 2016 (the "Purchase Agreement") pursuant to which the Company has offered and sold to the purchasers named therein subordinated notes (the "Subordinated Notes") and Warrants.

1. Definitions of Certain Terms. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Purchase Agreement. In addition to the terms defined elsewhere in this Warrant, the following terms have the following meanings:

(a) "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which the banking institutions in the City of New York, New York are authorized or obligated by law or executive order to close or be closed.

(b) "Commission" means the U.S. Securities and Exchange Commission.

(c) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(d) "Exercise Price" means the price at which the Holder may purchase one share of Common Stock upon exercise of this Warrant as determined from time to time pursuant to the provisions hereof. The initial Exercise Price is $3.73 per share, subject to adjustment as provided herein.

(e) "Expiration Date" means the 60-month anniversary of the Initial Exercise Date.

(f) "Initial Exercise Date" means the first Business Day following the six-month anniversary of the Issue Date.

(g) "Issue Date" means May 2, 2016.

(h) "Securities Act" means the Securities Act of 1933, as amended.

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

(j) "Warrant" means this Common Stock purchase warrant and any warrant or warrants hereafter issued as a consequence of the exercise or transfer of this warrant in whole or in part.

2. Exercise of Warrant.

(a) Manner of Exercise.

(i) Cash Exercise. This Warrant may be exercised, in whole or in part, at any time or from time to time, during the period commencing as of 9:30:01 a.m., New York time, on the Initial Exercise Date and ending as of 5:30 p.m., New York time, on the Expiration Date (the "Exercise Period"), for _____ fully paid and non-assessable shares of Common Stock (the "Warrant Shares"), for an exercise price per share equal to the Exercise Price, by delivery to the Company at its headquarters, or at such other place as is designated in writing by the Company, of:

(1) a duly executed Notice of Exercise, substantially in the form of Attachment I attached hereto and incorporated by reference herein;

(2) this Warrant; and

(3) subject to Section 2(a)(ii) below, payment of an amount in cash equal to the product of the Exercise Price multiplied by the number of Warrant Shares being purchased upon such exercise, with such payment being in the form of a wire transfer of immediately available U.S. funds to an account designated in writing by the Company.

The date on which the Company receives the Notice of Exercise, this Warrant, and the Exercise Price payable with respect to the Warrant Shares being purchased shall be deemed to be the date of exercise (the "Date of Exercise").

(ii) Cashless Exercise. Notwithstanding the provisions of Section 2(a)(i)(3) above (requiring payment by wire transfer), the Company agrees that, if at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for, the issuance of the Warrant Shares to the Holder, then unless otherwise prohibited by applicable law, the Holder shall have the right to exercise this Warrant in full or in part on a cashless basis, computed using the following formula:

$$X = \frac{Y\,(A - B)}{A}$$

Where:

X = The number of Warrant Shares to be issued to the Holder pursuant to this cashless exercise;

Y = The number of Warrant Shares in respect of which the net issue election is made;

A = The Fair Market Value (as defined below) of one Warrant Share at the time the cashless exercise election is made; and

B = The Exercise Price then in effect at the time of such exercise.

The term "Fair Market Value" shall mean, on any given day: (A) if the class of Warrant Shares is exchange-traded, the average of the closing sales prices per share of the class of Warrant Shares for the ten (10) consecutive Trading Days ending on the day that is two (2) Trading Days prior to the applicable date of determination of Fair Market Value; or (B) if the class of Warrant Shares is not listed or admitted to trading on any securities exchange but is regularly traded in any over-the-counter market, then the average of the bid and ask prices per share of the class of Warrant Shares for the ten (10) consecutive Trading Days ending on the day that is two (2) Trading Days prior to the applicable date of determination of Fair Market Value; or (C) if the class of Warrant Shares is not traded as described in clauses (A) or (B), then the per share fair market value of the class of Warrant Shares as reasonably determined in good faith by the Company's Board of Directors.

(b) Delivery of Certificates. Certificates for Warrant Shares purchased hereunder shall be transmitted by the transfer agent of the Company to the Holder by crediting the account of the Holder's prime broker with the Depository Trust Company ("DTC") through its Deposit Withdrawal Agent Commission system if the Company is a participant in such system and such Warrant Shares are eligible for delivery in such a manner, and otherwise by physical delivery to the address specified by the Holder in the Notice of Exercise within three Business Days from the delivery to the Company of the Notice of Exercise, surrender of this Warrant and payment of the aggregate Exercise Price as set forth above. This Warrant shall be deemed to have been exercised on the date on which this Warrant is surrendered and payment of the Exercise Price is received by the Company. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date on which all of the criteria described in the immediately preceding sentence have occurred, irrespective of the date of delivery of such certificate or certificates, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open. If fewer than all of the Warrant Shares purchasable under the Warrant are purchased, the Company will, upon such partial exercise, execute and deliver to the Holder a new Warrant (dated as of the Issue Date), in the same form and tenor as this Warrant, evidencing that portion of the Warrant not exercised.

(c) No Charge to Holder Upon Issuance. The issuance of Warrant Shares upon exercise of this Warrant shall be made without charge to Holder for any issuance tax in respect thereof or other cost incurred by the Company in connection with such exercise and the related issuance of Warrant Shares (other than any transfer taxes resulting from the issuance of Warrant Shares to any person other than Holder).

(d) Reservation of Shares. During the Exercise Period, the Company shall reserve and keep available out of its authorized but unissued Common Stock shares of Common Stock equal to 100% of the number of Warrant Shares issuable upon the full exercise of this Warrant. All Warrant Shares which are so issuable shall, when issued and upon the payment of the applicable Exercise Price, be duly and validly issued, fully paid and non-assessable and free from all taxes, liens and charges and not subject to the pre-emptive rights of any holder of Common Stock or any other class or series of stock of the Company. During the Exercise Period, the Company shall not take any action which would cause the number of authorized but unissued shares of Common Stock to be less than the number of such shares required to be reserved

hereunder for issuance upon exercise of this Warrant.

(e) No Fractional Shares. If a fractional share of Warrant Shares would, but for the provisions of this Section 2(e), be issuable upon exercise of the rights represented by this Warrant, the Company shall round a fractional share to be delivered to Holder up to the next whole share. In no event shall the Company be required to issue scrip or pay cash in lieu of fractional interests.

3. Adjustments and Extraordinary Events.

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

(b) Reorganization, Reclassification, Merger, Consolidation or Disposition of Assets. If during the Exercise Period (i) the Company shall reorganize its capital, reclassify its capital stock, consolidate or merge with or into another corporation (where the Company is not the surviving corporation or where there is a change in or distribution with respect to the Common Stock of the Company); (ii) any tender offer or exchange offer (whether by the Company or another individual or entity) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property; (iii) the Company shall sell, transfer or otherwise dispose all or substantially all of its property, assets or business to another corporation and, pursuant to the terms of such reorganization, reclassification, merger, consolidation, tender or exchange offer, or disposition of assets, shares of common stock of the successor or acquiring corporation, or any cash, shares of stock or other securities or property of any nature whatsoever (including warrants or other subscription or purchase rights) in addition to or in lieu of common stock of the successor or acquiring corporation ("Other Property"), are to be received by or distributed to the holders of Common Stock of the Company, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the number of shares of common stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and Other Property receivable upon or as a result of such reorganization, reclassification, merger, consolidation, tender or exchange offer, or disposition of assets by a Holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such event. In case of any such reorganization, reclassification, merger, tender or exchange offer, consolidation or disposition of assets ("Extraordinary Transaction"), the successor or acquiring corporation (if other than the Company) shall expressly assume the due and punctual observance and performance of each and every covenant and condition of this Warrant to be performed and observed by the Company and all the obligations and liabilities hereunder, subject to such modifications as may be deemed appropriate (as determined in good faith by resolution of the Board of Directors of the Company) in order to provide for adjustments of Warrant Shares for which this Warrant is exercisable which shall be as nearly equivalent as practicable to the adjustments provided for in this Section 3(b). As

soon as commercially practicable following the Extraordinary Transaction, the successor or acquiring corporation (if other than the Company), shall deliver to Holder a new warrant in repacement of this Warrant consistent with the provisions referenced in the immediately preceding sentence against receipt by such successor or acquiring corporation of the original of this Warrant. For purposes of this Section 3(b), "common stock of the successor or acquiring corporation" shall include stock of such corporation of any class which is not preferred as to dividends or assets over any other class of stock of such corporation and which is not subject to redemption and shall also include any evidences of indebtedness, shares of stock or other securities which are convertible into or exchangeable for any such stock, either immediately or upon the arrival of a specified date or the happening of a specified event and any warrants or other rights to subscribe for or purchase any such stock. The foregoing provisions of this Section 3(b) shall similarly apply to successive reorganizations, reclassifications, mergers, tender or exchange offers, consolidations or disposition of assets.

(c) Adjustment of Exercise Price upon Issuance of Common Stock, Options, Convertible Securities, Etc.

(1) If during any period while this Warrant is outstanding, the Company (A) issues or sells any Common Stock, Convertible Securities, warrants, or Options or (B) directly or indirectly effectively reduces the conversion, exercise or exchange price for any Convertible Securities or Options which are currently outstanding, at or to an effective Per Share Selling Price (as defined below) which is less than the then-current Exercise Price, then in each such case the Exercise Price in effect immediately prior to such issue or sale date, as applicable, shall be automatically reduced effective concurrently with such issue or sale to an amount determined by multiplying the Exercise Price then in effect by a fraction, (x) the numerator of which shall be the sum of (1) the number of shares of Common Stock outstanding immediately prior to such issue or sale, plus (2) the number of shares of Common Stock which the aggregate consideration received by the Company for such additional shares would purchase at such Exercise Price, and (y) the denominator of which shall be the number of shares of Common Stock of the Company outstanding immediately after such issue or sale. Notwithstanding the foregoing, however, no adjustment hereunder shall be made with respect to an Exempt Issuance, as defined below.

(2) For the purposes of the foregoing adjustment, in the case of the issuance of any Convertible Securities or Options, the maximum number of shares of Common Stock issuable upon exercise, exchange or conversion of such Convertible Securities or Options shall be deemed to be outstanding at the initial conversion or exercise price applicable to such securities, provided that no further adjustment shall be made upon the actual issuance of Common Stock upon exercise, exchange or conversion of such Convertible Securities or Options, and provided further that to the extent such Convertible Securities or Options expire or terminate unconverted or unexercised, then at such time the Exercise Price shall be readjusted as if such portion of such Convertible Securities or Options had not been issued. For purposes of this Section 2.4, if an event occurs that triggers more than one of the above adjustment provisions, then only one adjustment shall be made and the calculation method which yields the greatest downward adjustment in the Exercise Price shall be used. If shares are issued for a consideration other than cash, the Per Share Selling Price shall be the fair value of such consideration as determined in good faith by independent certified public accountants mutually acceptable to the Company and the Holder. In the event the Company directly or indirectly effectively reduces the conversion, exercise or exchange price for any Convertible Securities or Options which are currently outstanding, then the Per Share Selling Price shall equal such effectively reduced conversion, exercise or exchange price.

(3) As used herein, "Exempt Issuance" means the issuance of (a) shares of Common Stock or Options or Convertible Securities to employees, officers, consultants or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors

established for such purpose, (b) Common Stock, Convertible Securities, warrants, or Options upon the exercise or exchange of or conversion of any securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding as of the date of the Agreement, provided that such securities have not been amended since the date of the Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities; (c) shares of Common Stock issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock; (d) shares of Common Stock, Convertible Securities, warrants or Options in connection with transactions with lenders or other commercial partners, the terms of which are approved by the Board of Directors, in each case, the primary purpose of which is not to raise equity capital; (e) shares of Common Stock, Convertible Securities, warrants or Options issued pursuant to mergers, acquisitions, or asset sales approved by a majority of the disinterested directors of the Company, provided that any such issuance shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising equity capital; (f) shares of Common Stock, Convertible Securities, Warrants or Options issued pursuant to the Agreement and (g) shares of Common stock issued by the Company in connection with a rights offering by the Company to its stockholders (including any standby or similar commitment thereunder) to be undertaken and completed within 150 days of the Issue Date.

(4) For purposes hereof: (i) "Convertible Securities" means any stock or securities (other than Options) directly or indirectly convertible into or exercisable or exchangeable for Common Stock; (ii) "Options" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities; and (iii) "Per Share Selling Price" shall include the amount actually paid by third parties for each share of Common Stock in a sale or issuance by the Company. A sale of shares of Common Stock shall include the sale or issuance of Convertible Securities or Options, and in such circumstances the Per Share Selling Price of the Common Stock covered thereby shall also include the exercise, exchange or conversion price thereof (in addition to the consideration received by the Company upon such sale or issuance less the fee amount as provided above).

4. Restrictions on Transfer.

(a) Restricted Securities. The Holder acknowledges that: (i) it has been advised by the Company that this Warrant and the Warrant Shares issuable upon exercise thereof (collectively the "Securities") have not been registered under the Securities Act of 1933, as amended (the "Securities Act") and (ii) assuming the accuracy of the representations and warranties of the Holder contained herein, this Warrant has been issued and the Warrant Shares will be issued in a transaction exempt from the registration requirements of the Securities Act by virtue of Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder and exempt from state registration or qualification under applicable state laws. The Holder acknowledges that he has been informed by the Company of, or is otherwise familiar with, the nature of the limitations imposed by the Securities Act and the rules and regulations thereunder on the transfer of securities. In particular, the Holder agrees that no sale, assignment or transfer of the Securities shall be valid or effective, and the Company shall not be required to give any effect to any such sale, assignment or transfer, unless (i) the sale, assignment or transfer of the Securities is registered under the Securities Act, and the Company has no obligations or intention to so register the Securities except as may otherwise be provided herein, or (ii) the Securities are sold, assigned or transferred in accordance with all the requirements and limitations of Rule 144 under the Securities Act or such sale, assignment, or transfer is otherwise exempt from registration under the Securities Act. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such transfer to a transferee that is not an Affiliate of the Holder (i) that the Holder or transferee of this Warrant, as the case may be, furnish to the Company a written opinion of counsel (which opinion shall be in form, substance and scope customary for

opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable state securities or blue sky laws, (ii) that the holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company and (iii) that the transferee be an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act or a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act. The Holder represents and warrants that he has acquired this Warrant and will acquire the Securities for his own account for investment and not with a view to the sale or distribution thereof or the granting of any participation therein, and that he has no present intention of distributing or selling to others any of such interest or granting any participation therein. The Holder acknowledges that the Warrant and Warrant Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or registered or qualified under any applicable state securities or "blue-sky" laws or is exempt from registration and/or qualification. The Holder has no need for liquidity in its investment in the Company, and is able to bear the economic risk of such investment for an indefinite period and to afford a complete loss thereof. The Holder is an "accredited investor" as such term is defined in Rule 501 (the provisions of which are known to the Holder) promulgated under the Act.

(b) Legends. The Holder understands that this Warrant and the Warrant Shares, as applicable, shall bear a restrictive legend in substantially the form set forth below (and a stop-transfer order may be placed against transfer of the certificates for such securities):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT, OR (B) AN OPINION OF COUNSEL, IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT (II) UNLESS SOLD OR TRANSFERRED TO A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OR (III) UNLESS SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT.

(c) Registration Rights. The Holder shall be entitled to all of the rights and subject to all of the obligations regarding registration of the shares of Common Stock issuable upon the exercise of this Warrant as described in the Purchase Agreement.

(d) Disposition of Warrant or Warrant Shares. With respect to any offer, sale or other disposition of this Warrant or any shares of Common Stock acquired pursuant to the exercise of this Warrant prior to registration of such Warrant or shares of Common Stock, the Holder agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, together with evidence, reasonably satisfactory to the Company (which shall include such representation of the transferee regarding investment intent as the Company may request, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Act as then in effect or any federal or state securities law then in effect) of this Warrant or such shares of Common Stock and indicating whether or not under the Act certificates for this Warrant or such shares of Common Stock to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with such law. Upon receiving such written notice and reasonably satisfactory evidence, the Company, as promptly as practicable but no later than seven (7) days after receipt of the written notice, shall notify the Holder that the Holder may sell or otherwise dispose of this Warrant or such Warrant Shares, all in accordance with the terms of the notice delivered to the Company. If the Company determines that the evidence is not reasonably satisfactory to the Company, the Company shall so notify the Holder promptly with details thereof after such determination has been made. Notwithstanding the foregoing, any shares of Common Stock issued upon exercise of this Warrant may be offered, sold or otherwise disposed of in accordance

with Rule 144 under the Act and in compliance with the applicable statutory resale restrictions imposed by state securities laws, provided that the Company shall have been furnished with such information as the Company may reasonably request to provide a reasonable assurance that the provisions of Rule 144 and the applicable resale restrictions imposed by state securities laws have been satisfied. Each certificate representing this Warrant or the shares of Common Stock thus transferred shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with such laws, unless pursuant to an opinion of counsel for the Holder, such legend is not required in order to ensure compliance with such laws. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

5. Exercise Limitation. Without the approval of the Company's stockholders, the Holder (together with such Holder's Affiliates, and any Persons acting as a group together with such Holder or any of such Holder's Affiliates) shall not have the right to exercise the Warrants to the extent that such exercise would cause the Company to exceed the aggregate number of shares of Common Stock which the Company may issue or be deemed to have issued without breaching the Company's obligations under the applicable rules and regulations of the Nasdaq Stock Market (including, without limitation, Nasdaq Listing Rule 5635(d)) and such other Trading Market on which the Company's shares of Common Stock are then quoted or listed for trading. As used herein, "Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE AMEX, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board.

6. Exchange and Replacement of Warrant Certificates.

(a) Exchanges. This Warrant Certificate is exchangeable without expense, upon the surrender hereof by the registered Holder at the principal executive office of the Company, for a new Warrant Certificate of like tenor and date representing in the aggregate the right to purchase the same number of Warrant Shares in such denominations as shall be designated by the Holder thereof at the time of such surrender.

(b) Loss, Destruction, Etc. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it, and reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of the Warrants, if mutilated, the Company will make and deliver a new Warrant of like tenor, in lieu thereof and any such lost, stolen, destroyed or mutilated warrant shall thereupon become void.

7. No Rights as Stockholder. Nothing contained in this Agreement shall be construed as conferring upon the Holder any rights whatsoever as a stockholder of the Company, either at law or in equity, including without limitation, or Holders the right to vote or to consent or to receive notice as a stockholder in respect of any meetings of stockholders for the election of directors the right to receive dividends or any other matter.

8. Notices; Adjustments.

(a) All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified; (ii) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not, then on the next business day; (iii) two (2) Business Days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) Business Day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the Company or to Holder, as applicable, at the respective addresses set forth on the signature page to the Purchase Agreement or at such other address(es) as they may designate, respectively, by ten (10) days advance written notice to the other party hereto.

(b) Upon the occurrence of any adjustments pursuant to Section 3 hereof, the Company at its expense shall, as promptly as reasonably practicable but in any event not later than 10 days thereafter, compute such adjustment in accordance with the terms hereof and furnish to Holder a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. In the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, the Company shall mail to the Holder, at least ten (10) days prior to the date on which any such record is to be taken for the purpose of such dividend or distribution, a notice specifying such date. In the event of any voluntary dissolution, liquidation or winding up of the Company, the Company shall mail to the Holder, at least ten (10) days prior to the date of the occurrence of any such event, a notice specifying such date. If the approval of any stockholders of the Company shall be required in connection with any transaction contemplated by Section 3(b) above, then, the Company shall cause to be mailed to the Holder at least 10 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating the date on which such transaction is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such transaction. Notwithstanding the immediately preceding sentences, however, if the date on which the Company is obliged to provide notice hereunder to the Holders is prior to a public announcement relating to the events set forth and on such date the Company's securities are traded or quoted on any recognized national securities exchange or quotation system, then such notice shall be provided to each Holder simultaneously with the notice provided to the Company's common stockholders. Failure to give such notice, or any defect therein, shall not, however, affect the legality or validity of any such action.

9. Miscellaneous.

(a) Successors and Assigns. All the covenants and agreements made by the Company in this Warrant shall bind its successors and assigns. This Warrant shall be for the sole and exclusive benefit of the Holder and nothing in this Warrant shall be construed to confer upon any person other than the Holder any legal or equitable right, remedy or claim hereunder.

(b) Acceptance. Receipt of this Warrant by the Holder shall constitute acceptance of and agreement to all of the terms and conditions contained herein.

(c) Waivers and Amendments. No course of dealing between the Company and the Holder hereof shall operate as a waiver of any right of any Holder hereof, and no delay on the part of the Holder in exercising any right hereunder shall so operate. No waivers of any term, condition or provision of this Warrant, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision. Any term of this Warrant may be amended, waived, discharged or terminated (either generally or in a particular instance and either retroactively or prospectively) with the

written consent of the Company and the Holder of the Warrant. Notwithstanding the foregoing, other than in connection with a transaction contemplated by Section 3 of this Warrant, the number of Warrant Shares subject to this Warrant and the Exercise Price of this Warrant may not be amended, and the right to exercise this Warrant may not be waived, without the written consent of the Holder. Any amendment shall be endorsed upon this Warrant, and all future Holders shall be bound thereby.

(d) Governing Law. The provisions of this Warrant shall in all respects be constructed according to, and the rights and liabilities of the parties hereto shall in all respects be governed by, the laws of the State of New York. This Warrant shall be deemed a contract made under the laws of the State of New York and the validity of this Warrant and all rights and liabilities hereunder shall be determined under the laws of said State.

(e) Headings. The headings of the Sections of this Warrant are inserted for convenience only and shall not be deemed to constitute a part of this Warrant.

(f) Saturdays, Sundays, Holidays. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday or a Sunday or shall be a legal holiday in the State of New York, then such action may be taken or such right may be exercised on the next succeeding day not a legal holiday.

(f) Severability. If any provision of this Warrant shall be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions of this Warrant.

Signature page to Common Stock Purchase Warrant follows.

IN WITNESS WHEREOF, DLH HOLDINGS CORP. has, as of the date first set forth above, caused this Warrant to be executed in its corporate name by its officer, and its seal to be affixed hereto.

May 2, 2016

DLH HOLDINGS CORP

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By:_____
Name: Zachary C. Parker
Title: President and Chief Executive Officer

Address for Notice:

DLH Holdings Corp.
3565 Piedmont Road, Suite 3-700
Atlanta, Georgia 30305

TO: DLH HOLDINGS CORP.
Attention: Chief Financial Officer

The undersigned hereby elects to purchase, pursuant to the provisions of the Common Stock Warrant issued by DLH Holdings Corp. as of _____, 2016, and held by the undersigned, the original of which is attached hereto, and (check the applicable box):

☐ Tenders herewith payment of the Exercise Price in the form of cash, via wire transfer of immediately available funds, in the amount of $_____ for _____ shares of Common Stock.

☐ Elects the cashless exercise option pursuant to Section 2(a) of the Warrant, and accordingly requests delivery of _____ shares of Common Stock, net, pursuant to the following calculation:

$$X = Y\ (A-B)/A$$

$$(\quad) = (\_\_\_\_\_)\ [(\_\_\_\_\_) - (\_\_\_\_\_)]/(\_\_\_\_\_)$$

Where

X = The number of shares of Common Stock to be issued to the Holder pursuant to this cashless exercise;

Y = The number of shares of Common Stock in respect of which the net issue election is made;

A = The Fair Market Value of one share of Common Stock, as calculated per the terms of the Warrant; and

B = The Exercise Price then in effect as of the date of exercise.

☐ If this box is checked, as long as the Company's transfer agent participates in the DTC Fast Automated Securities Transfer program ("FAST"), and except as otherwise provided in the next following sentence, the Company shall effect delivery of the shares of Common Stock to the Holder by crediting to the account of the Holder or its nominee at DTC (as specified in this Exercise Notice) with the number of shares of Common Stock required to be delivered. In the event that the Company's transfer agent is not a participant in FAST, or if the shares of Common Stock are not otherwise eligible for delivery through FAST, the Company shall effect delivery of the shares of Common Stock by delivering to Holder or its nominee physical certificates representing such shares.

Information for Delivery of uncertificated Shares by DWAC:

Account Number: _____
Account Name: _____
DTC Number: _____

☐ If this box is checked, the Holder requests delivery of physical certificates representing the Warrant Shares and requests that such certificates be delivered to the following address:

Name: _____
(please typewrite or print in block letters)

Address: _____

Tax I.D. No. or Social Security No.: _____

If such number of shares shall not be all the shares purchasable upon the exercise of the Warrants evidenced by this Warrant, a new warrant certificate for the balance of such Warrants remaining unexercised shall be registered in the name of and delivered to:

Name: _____
(please typewrite or print in block letters)

Address: _____

Tax I.D. No. or Social Security No.: _____

HOLDER:

_____
Name:
Title:

Date: _____

ATTACHMENT II

[FORM OF ASSIGNMENT]

(To be executed by the registered holder if such holder
desires to transfer the Warrant Certificate.)

FOR VALUE RECEIVED, the undersigned Holder of this Warrant hereby sells, assigns and transfers the foregoing Warrant and all rights evidenced thereby to

Name: _____
(Please Print)

Address: _____
(Please Print)

Tax ID No.: _____

and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the within Warrant Certificate on the books of DLH Holdings Corp., with full power of substitution.

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

Dated: _____

Holder: _____

_____
(Print Name)

_____
(Signature)

STATE OF _____)
COUNTY OF _____) ss:

On this __ day of _____, before me personally came _____, to me known, who being by me duly sworn, did depose and say that he resides at _____, that he is the holder of the foregoing instrument and that he executed such instrument and duly acknowledged to me that he executed the same.

_____
Notary Public

CONSULTING SERVICES AGREEMENT

THIS CONSULTING SERVICES AGREEMENT (the "**Agreement**") is made effective as of May 3, 2016 (the "**Effective Date**"), by and between DANYA INTERNATIONAL LLC, a Maryland limited liability company, and its present and future divisions, affiliates and subsidiaries (collectively, the "**Company**"), and Jeffrey Hoffman, an individual, who has a federal tax identification number set forth below his signature block on the signature page hereto ("**Consultant**").

Background to Agreement:

A. On the Effective Date, Consultant, as the majority owner of the sole stockholder of the Company sold to DLH Holdings Corp., a New Jersey corporation ("**DLH**"), and DLH indirectly acquired from Consultant (and the other equityholders of the sole stockholder of the Company), all of Consultant's equity capital that he indirectly held in the Company, which is now a wholly-owned subsidiary of DLH (the "**Acquisition**").

B. The Company desires to retain the services of Consultant to perform the Services (defined below) on behalf of the Company as an independent contractor, and Consultant desires to perform the Services as an independent contractor.

C. Consultant is willing and able to perform such Services in furtherance of the Company's business under the terms and conditions of this Agreement.

D. As a condition to the Company's execution and delivery of this Agreement and consummation of the Acquisition, Consultant is obligating himself to certain noncompetition and nonsolicitation provisions set forth in a Non-Competition Agreement in connection with the Acquisition. Nothing in this Agreement is intended to supersede any obligations Consultant has under the Non-Competition Agreement, including without limitation, any noncompetition and nonsolicitation obligations.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties incorporate the above-stated recitals and agree as follows:

1. Scope of Services; Compensation.

(a) **Retained Services.** During the Term (as defined below), Consultant will provide the Company the consulting services set forth in this Section 1 (collectively, the "**Services**"). More specifically, Consultant agrees to use reasonable efforts to (1) provide an efficient transition of the Company's business following the Acquisition, and (2) ensure continuity of personnel and the business enterprise, including by, to the extent reasonably requested by the Company from time to time:

(i) providing bid and proposal support, transfer of knowledge of corporate infrastructure, general knowledge transfer, transition of customer relationships, and like support activities;

(ii) providing advice and guidance in order to ensure continuity of current operations;

(iii) providing the Services with all due care, skill and ability and using his reasonable efforts to promote the interests of the Company;

(iv) promptly giving to the Company all information and reports it may reasonably require in connection with matters relating to the provision of the Services or the business of Company;

(v) providing strategic guidance for the Company;

(vi) assisting in marketing and business development efforts towards current and potential new customers;

(vii) taking all reasonable steps to offer (or cause to be offered) to the Company any opportunities related to the Company's business as soon as practicable after the same come to his knowledge and in any event before the same are offered by Consultant (or caused by Consultant to be offered) to any other party; and

(viii) performing such other services reasonably requested by the Company.

(b) **Performance.** Consultant will perform the Services in a timely, good and workmanlike manner, at all times acting in the best interests of the Company and in accordance with the terms of this Agreement. Consultant will utilize professional skill, diligence and care to ensure that all Services are scheduled, performed and completed to the Company's satisfaction.

(c) **Compliance with Laws.** Consultant will perform the Services in compliance with all applicable laws, rules and regulations. In addition, Consultant agrees to comply with all applicable policies of the Company, copies of which will be provided to Consultant upon his request.

(d) **Availability.** Consultant will use reasonable efforts to ensure that he is available during business time on reasonable notice to provide such assistance or information as the Company may require. Specifically, the Company and Consultant anticipate that Consultant will render his Services for no more than forty (40) hours per any calendar week in the Term, which is expected to decrease over time during the Term ("**Agreed Availability**").

2. Term. The initial term of this Agreement will continue for twelve (12) months following the Effective Date ("**Initial Term**"), unless this Agreement is sooner terminated in accordance with the terms of this Agreement. By mutual written consent of the Company and Consultant, this Agreement may be extended beyond the Initial Term for subsequent six (6) month terms up to an additional 12 months following the Initial Term (together with the Initial Term, the "**Term**"), unless this Agreement is sooner terminated in accordance with the terms of this Agreement.

3. Consulting Fee. In consideration for the Services rendered to the Company, the Company agrees to pay Consultant (collectively the "**Consulting Fee**") $10,000 per month worked during the Term. It is intended that the Consulting Fee paid hereunder will constitute compensation to Consultant as an independent contractor and not as an individual employed by the Company. Consultant shall invoice the Company monthly for services and expenses and shall provide such reasonable receipts or other documentation of expenses as Company might request. The Company will pay Consultant net fifteen (15) days from the date of its receipt of invoice. Consultant will invoice the Company on or after the first day of each month for Services rendered and expenses incurred during the previous month. The Company will not withhold any amounts as U.S. federal tax or applicable state tax withholdings from wages or as employee contributions under the U.S. Federal Insurance Contributions Act, nor will the Company make any employer contributions thereunder with respect to such payments. Consultant will be solely responsible for the reporting, estimation and payment of all federal, state or local county income taxes, fees and other contributions on or attributable to Consultant's income attributable to the fees payable hereunder.

Consultant agrees that he will maintain unemployment and worker's compensation insurance as required by law. The Company will provide no employee benefits including, but not limited to health, life, or disability insurance, to Consultant or any of his personnel, if any.

4. Out-of-Pocket Expenses. During the Term, the Company will reimburse Consultant for reasonable out-of-pocket business, travel or entertainment expenses incurred by Consultant in connection with and while providing the Services under this Agreement, provided, that Consultant receives Company's prior approval prior to incurring any such individual expenses in excess of $1,000. In such event, Consultant will provide documentation in the form of receipts, vouchers, invoices and the like that pertain to and further substantiate and verify any such reimbursable expense, and the receipt thereof by the Company, when requested, will be a condition precedent to payment.

5. Independent Contractor. In performing his duties hereunder, Consultant will act solely as an independent contractor and not as a partner, joint venturer or employee of the Company. Nothing contained in this Agreement will be construed to create any employment relationship between the Company and Consultant, or be construed as constituting Consultant or any of his employees or agents as an employee of the Company, and Consultant will not represent to the contrary to any person, unless expressly authorized by the Company. It is understood and agreed that as an independent contractor, Consultant is responsible for, and has control over, the details and means of performing the Services. Consultant will not represent to third persons that Consultant's status with respect to the Company is anything other than that of an independent contractor. Consultant will not have any express or implied right or authority to assume or create any obligations on behalf or in the name of the Company or to bind the Company to any contract or undertaking with any other person, nor will Consultant represent that it has such authority. Consultant and his employees and agents will not be entitled to any Company fringe benefits and hereby expressly waive any claim or right that any of them may have against the Company arising out of the operation of any applicable workers' compensation law.

6. Confidentiality.

(a) **Confidentiality**. Consultant hereby acknowledges and agrees that Consultant is bound by the confidentiality restrictions set forth in Section 3 of that certain Non-Competition Agreement, dated as of the date hereof, by and between Consultant and the Company, which restrictions are incorporated herein by reference (with capitalized terms used in such Section 3 having the meaning attributed to such terms as in such Non-Competition Agreement).

(b) **Work Product**. Consultant hereby assigns to the Company all right, title and interest in and to any work product created by Consultant, or to which Consultant contributes, pursuant to this Agreement (the "**Work Product**"), including all copyrights, trademarks and other intellectual property rights contained therein. Consultant agrees to execute, at the Company's request and expense, all documents and other instruments necessary or desirable to confirm such assignment. In the event that Consultant does not, for any reason, execute such documents within a reasonable time of the Company's request, Consultant hereby irrevocably appoints the Company as Consultant's attorney-in-fact for the purpose of executing such documents on Consultant's behalf, which appointment is coupled with an interest. If Consultant has any rights, including without limitation "artist's rights" or "moral rights," in the Work Product which cannot be assigned, Consultant agrees to waive enforcement worldwide of such rights against the Company. In the event that Consultant has any such rights, that cannot be assigned or waived, Consultant hereby grants to the Company an exclusive, worldwide, irrevocable, perpetual license to use, reproduce, distribute, create derivative works of, publicly perform and publicly display the Work Product in any medium or format, whether now known or later developed.

7. Conflict of Interests. Consultant hereby represents and warrants that the Services to be performed hereunder do not conflict with any consulting, employment or other agreement to which Consultant is a party, and Consultant agrees that he will not, without the Company's prior written consent, undertake any consulting engagement or employment that would conflict with the Services to be performed hereunder. If during the Term, Consultant becomes aware that he has a potential conflict of interest with the Company, Consultant will so advise the Company immediately.

8. Termination.

(a) Termination for Convenience. This Agreement is subject to termination by mutual agreement at any time.

(b) Material Breach. Notwithstanding the terms and conditions of Section 8(a), no notice will be required in the event of a termination of this Agreement based upon a material breach of this Agreement by the other party hereto.

9. Obligations Upon Termination. Upon termination of this Agreement for any reason, Consultant will:

(i) immediately deliver to the Company all documents, books, materials, records, correspondence, papers and information (on whatever media and wherever located) relating to the business or affairs of the Company or its business contacts, any keys and any other property of the Company that is in his possession or under his control;

(ii) irretrievably delete any information relating to the business of the Company stored on any magnetic or optical disk or memory and all matter derived from such sources which is in his possession or under his control outside the premises of the Company; and

(iii) provide a signed statement that he has complied fully with his obligations under this Section 9.

10. Miscellaneous.

(a) Successors and Assignment. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the obligations of Consultant are personal in nature and, therefore, Consultant will not assign any of his rights or delegate or subcontract the performance of any of his duties under this Agreement without the prior written consent of the Company; any such assignment or subcontract without obtaining prior written consent will be void.

(b) Prior Agreements; Modifications; and Waivers. The terms and provisions of this Agreement, along with the Non-Competition Agreement and any nondisclosure or confidentiality obligations entered into by Consultant in his capacity as an employee of the Company prior to the Acquisition, are intended to supersede any conflicting terms or conditions in any other agreement between the parties hereto relating to the subject matter hereof. This Agreement contains the entire agreement between the parties hereto regarding the Services, and may not be modified except by written instrument duly executed by both parties. The failure of a party hereto to exercise any right or remedy will not be deemed or constitute a waiver of such right or remedy in the future. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provision hereof (regardless of whether similar), nor will any such waiver constitute a continuing waiver unless otherwise expressly provided.

(c) Severability. If any provision of this Agreement will, for any reason, be held to violate any applicable law, and so much of said Agreement is held to be unenforceable, then the invalidity of such a specific provision herein will not be held to invalidate any other provisions herein, which other provisions will remain in full force and effect unless removal of said invalid provision destroys the legitimate purposes of this Agreement, in which event this Agreement will be canceled.

(d) Governing Law. This Agreement will be construed, enforced and governed by the laws of the State of Maryland without regard to its conflicts of law provisions.

(e) Waiver of Jury Trial. THE PARTIES IRREVOCABLY WAIVE THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LEGAL PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT.

(f) Advice of Counsel and Construction. The parties acknowledge that all parties to this Agreement have had the opportunity to be represented by counsel. Accordingly the rule of construction of contract language against the drafting party is hereby waived by all parties.

(g) Notices. All notices under this Agreement will be sent and deemed duly given when posted in the United States first-class mail, postage prepaid to the addresses set forth below such party's signature on the signature page of this Agreement. These addresses may be changed from time to time by written notice to the appropriate party.

(h) Reliance on Counsel and Other Advisors. Each party hereto has consulted such legal, financial, technical or other experts as it deems necessary or desirable before entering into this Agreement. Each party hereto represents and warrants that it has read, knows, understands and agrees with the terms and conditions of this Agreement.

(i) Survival. Provisions of this Agreement that, by their nature are intended to survive the termination or expiration of this Agreement, including but not limited to Sections 6, 7, 9 and 10, will survive termination or expiration of this Agreement.

(j) Counterparts; Electronic Signature. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, with the same effect as if the signature on each such counterpart were on the same instrument. Further, this Agreement may be executed by transfer of an originally signed document by facsimile or e-mail in PDF format, each of which will be as fully binding as an original document.

(Signatures on following page.)

IN WITNESS WHEREOF, the parties hereto have each executed this Consulting Services Agreement effective as of the date first above written.

COMPANY:

DANYA INTERNATIONAL LLC

By: /s/ Jeffrey A. Hoffman
Name: Jeffrey A. Hoffman
Title: CEO

Address:

c/o DLH Holdings Corp.
3565 Piedmont Road, Suite 3-700
Atlanta, Georgia
Attn: Chief Executive Officer

With a copy to:

Holland & Knight LLP
1600 Tysons Boulevard, Suite 700
McLean, Virginia 22102
Attention: Adam J. August

CONSULTANT:

/s/ Jeffrey Hoffman
Jeffrey Hoffman

Tax ID#:_____

Address:_____
_____
_____

With a copy to:

Greenberg Traurig, LLP
1750 Tysons Boulevard, Suite 1200
McLean, Virginia 22102
Attention: Tim Jessell
Facsimile: (703) 749-1301
E-Mail: jessellt@gtlaw.com

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NON-COMPETITION AGREEMENT

THIS NON-COMPETITION AGREEMENT ("Non-Competition Agreement") is being executed and delivered effective as of May 3, 2016, by Jeffrey Hoffman, individually (the "Owner"), the indirect majority owner of Danya International LLC, a Maryland limited liability company (the "Company"), in favor of and for the benefit of DLH Holdings Corp., a New Jersey corporation (the "Buyer"), the Company and each of the Buyer's and the Company's present and future successors, assigns and direct and indirect subsidiaries (individually, a "Covered Party" and collectively, the "Covered Parties").

A. As the majority (direct or indirect) equity holder of the Company, and as an officer and director/manager of the Company, prior to the closing (the "Closing") of the Transaction (as defined below), the Owner has obtained extensive and valuable knowledge and confidential information concerning the business of the Company that has contributed to the value of the Company.

B. Pursuant to an Equity Purchase Agreement dated as of even date herewith, by and among the Buyer, the Owner and the other parties named therein (the "Purchase Agreement"), the Owner has agreed to sell to the Buyer, and the Buyer has agreed to purchase all of the issued and outstanding equity interests of the Company (the "Transaction").

C. In connection with, and as a condition to the consummation of, the Transaction, and to enable the Buyer to secure more fully the benefits of such Transaction, including the protection and maintenance of the Company's goodwill and confidential information, the Buyer has required that the Owner enter into this Non-Competition Agreement.

D. The Owner is entering into this Non-Competition Agreement in order to induce the Buyer to consummate the transactions contemplated by the Purchase Agreement, pursuant to which the Owner will receive a material benefit.

In order to induce the Buyer to consummate the Transaction, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner agrees as follows:

1. Restriction on Competition.

(a) Restriction. The Owner agrees that during the period beginning on the date hereof and continuing until the fourth anniversary of the date hereof (the "Restricted Period"), the Owner will not, directly or indirectly (other than on behalf of a Covered Party), without the prior written consent of the Company, engage in a Competitive Business Activity (as defined below) anywhere in the Territory (as defined below); provided, however, that notwithstanding the foregoing, the Owner agrees that during the period beginning on the date hereof and continuing until the end of the second procurement cycle (including, for the avoidance of doubt, any modifications of existing contracts) with respect to Contract No. HHSP233201500 144G with the Department of Health and Human Services, dated April 29, 2015, as it may be extended, modified, replaced, superseded, succeeded or followed-on (the "Head Start Contract"), Owner will not take any action to interfere, or attempt to interfere, with the business interests of any of the Covered Parties in such Head Start Contract. For all purposes hereof, the term "Competitive Business Activity" shall mean having an ownership interest of greater than three percent (3%) (individually or in combination with an affiliate or immediate family member of the Owner) in or participating, directly or indirectly, in the operation, financing, management or control of, or becoming employed in a management level position by, any firm, partnership, corporation, entity or business that sells, delivers or provides products or services that are directly competitive with the products or services that are sold, delivered or provided by the Company as of the date hereof to any agency, branch or instrumentality of the United States

Government, or to any state or local government, that is a client of the Company as of the date hereof or was a client of the Company within the one (1) year period prior to the date hereof; provided, that nothing in this Section 1(a) shall restrict the Owner from being employed directly by the United States federal government or any state or local government entity. For all purposes hereof, the term "Territory" means only the geographic areas in which the Company conducted business during the one (1) year period prior to the date hereof.

(b) Acknowledgment. The Owner acknowledges and agrees, based upon the advice of legal counsel and his own education, experience and training, that (i) the Owner possesses knowledge of confidential information of the Company, (ii) because of the Owner's education, experience and capabilities, the provisions of this Non-Competition Agreement will not prevent the Owner from earning a livelihood, (iii) the Owner's execution of this Non-Competition Agreement is a material inducement to the Buyer to enter into the Purchase Agreement and to realize the Company's goodwill, and consummate the transactions contemplated thereby, for which the Owner will receive a substantial financial benefit, (iv) it would impair the goodwill of the Company and reduce the value of the assets of the Company and cause serious and irreparable injury if the Owner were to use his ability and knowledge in competition with a Covered Party, and/or to otherwise breach the obligations contained herein and that the Covered Parties would not have an adequate remedy at law because of the unique nature of the Company's products and services, (v) the Owner has no intention of competing in the Territory with the Company in violation of the terms of this Agreement during the Restricted Period, (vi) the relevant public policy aspects of restrictive covenants, covenants not to compete and non-solicitation provisions have been discussed, and every effort has been made to limit the restrictions placed upon the Owner to those that are reasonable and necessary to protect the Covered Parties' legitimate interests, (vii) the foregoing restrictions on competition are fair and reasonable in type of prohibited activity, geographic area covered, scope and duration, (viii) the consideration provided by the Buyer under this Non-Competition Agreement is not illusory, and (ix) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Covered Parties.

2. No Solicitation; No Disparagement.

(a) No Solicitation of Employees and Consultants. The Owner agrees that, during the Restricted Period, the Owner will not, either on his own behalf or on behalf of any other person or entity (other than the Covered Parties), directly or indirectly, (i) hire or engage as an employee, independent contractor, consultant or otherwise any Covered Party Personnel (as defined below), (ii) encourage, induce, attempt to induce, solicit or attempt to solicit any Covered Party Personnel to leave the service (whether as an employee, consultant or independent contractor) of any Covered Party or (iii) in any way interfere with the relationship between any Covered Party Personnel and any Covered Party. For purposes of this Non-Competition Agreement, "Covered Party Personnel" means and includes any person or entity who is an employee, consultant or independent contractor of the Company on the date hereof or who was an employee, consultant or independent contractor of the Company within the one (1) year period prior to the date hereof, other than (i) any such person or entity who has ceased to be an employee, consultant or independent contractor of the Company for a period of six (6) or more months and (ii) any such consultant or independent contractor that has provided professional services to the Company, such as legal, financial or accounting services; provided, however, the Owner will not be deemed to have violated this Section 2(a) if any Covered Party Personnel voluntarily and independently solicits an offer of employment from such employer by responding to a general advertisement or solicitation program conducted by or on behalf of such employer, or is subsequently hired by such employer, as long as the Owner has no involvement or participation, either directly or indirectly, in the recruitment of, or the hiring process or decision with respect to, such employee or consultant (and at the written request of a Covered Party provides an affidavit to that effect).

(b) Non-Solicitation of Customers and Suppliers. The Owner agrees that, during the Restricted Period, the Owner will not, individually or on behalf of any other person or entity (other than a Covered Party), directly or indirectly:

(i) (A) induce, attempt to induce, solicit or otherwise cause any Covered Customer (as defined below) to (1) cease being a client or customer of or to not become a client or customer of the Company, or (2) reduce the amount of business of such Covered Customer with the Company or otherwise to discontinue or alter, in a manner adverse to the Company, such business relationship, (B) otherwise interfere with, disrupt or attempt to interfere with, reduce or disrupt, the contractual relationship between the Company and any Covered Customer, including, without limitation, influencing or attempting to influence, for a purpose competitive with the products or services that are sold or provided by the Company as of the date hereof, any Covered Customer to terminate or modify any written or oral agreement with the Company, (C) otherwise divert any business from any Covered Customer with the Company, or (D) solicit for business, provide services to, engage in or do business with, or become employed or retained by, any Covered Customer for products or services that are the same as or substantially similar to, or otherwise competitive with, the products or services that are sold or provided by the Company as of the date hereof; or

(ii) interfere with or disrupt, or arrange to have any other person or entity interfere with or disrupt, any person or entity that was a vendor, supplier, distributor, agent or other service provider of, the Company as of the date hereof or during the one (1) year period prior to the date hereof, for a purpose competitive with the products and services that are sold or provided by the Company as of the date hereof.

For purposes of this Non-Competition Agreement, "Covered Customer" means any client or customer of the Company as of the date hereof or during the one (1) year period immediately prior to the date hereof, and any prospective client or customer to which the Company has actively marketed or has made or has taken specific action to make a proposal within the one (1) year period prior to the date hereof. In the case of a government agency, "client or customer" includes the source selection officials or program office for any applicable contract or program and all offices and personnel that report to or support such source selection officials or program office, and each successor thereto (whether by reorganization or otherwise).

(c) Non-Disparagement.

(i) The Owner agrees that, during the Restricted Period, he will not engage in any conduct that involves the making or publishing (including, without limitation, through electronic mail distribution or online social media) of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) that are disparaging, deleterious or damaging to the integrity, reputation or goodwill of one or more Covered Parties or their respective management, officers, employees, independent contractors or consultants. This provision is not applicable to (A) truthful testimony obtained through subpoena, (B) any truthful information provided pursuant to investigation by any governmental body, and shall not be construed to (1) require the Owner to refrain from offering any testimony (whether by deposition, written interrogatory, at trial, or otherwise) he may be required to offer in connection with any legal proceeding) or (2) restrict the Owner from enforcing his rights under the Purchase Agreement or under any other agreements and instruments executed in connection therewith.

(ii) By its acceptance hereof, the Buyer agrees that, during the Restricted Period, it will instruct its officers and directors to not, and it will instruct each other Covered Party's officers and directors to not, engage in any conduct that involves the making or publishing (including, without limitation, through electronic mail distribution or online social media) of written or oral statements or

remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) that are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the Owner. This provision is not applicable to (A) truthful testimony obtained through subpoena, (B) any truthful information provided pursuant to investigation by any governmental body, and shall not be construed to (1) require the Buyer or any other Covered Party to refrain from offering any testimony (whether by deposition, written interrogatory, at trial, or otherwise) it may be required to offer in connection with any legal proceeding) or (2) restrict the Buyer from enforcing its rights under the Purchase Agreement or under any other agreements and instruments executed in connection therewith. The Buyer shall be responsible for any breach by its officers or directors, or by any other Covered Party's officers or directors, of the obligations set forth in this paragraph.

3. Confidentiality.

(a) Non-Disclosure. The Owner will keep confidential and will not, except in the performance of the Owner's duties on behalf of any Covered Party, directly or indirectly, use, disclose, reveal, publish, transfer or provide access to any and all Confidential Information. As used in this Non-Competition Agreement, "Confidential Information" means all material and information relating to the business, affairs and assets of the Company, including material and information that concerns or relates to the Company's bidding and proposal, technical, computer hardware and software, administrative, management, operational, data processing, financial, marketing, sales, human resources, business development, strategic planning, and/or other business activities, regardless of whether such material and information is maintained in physical, electronic, or other form, that is: (i)(A) gathered, compiled, generated, produced, or maintained by such person or entity through its employees and agents, or provided to such person or entity by its suppliers, service providers, customers or equity holders; and (B) intended and maintained by such person or entity, or its suppliers, service providers, customers or equity holders to be kept in confidence; or (ii) not generally known to the public by reason other than breach of this Non-Competition Agreement or other misconduct. Examples of "Confidential Information" include but are not limited to bids, proposals, policies, specifications, procedures, software, programs, techniques, formulas, trade secrets, analytical models, plans, processes, managerial methods and decisions, customer names and lists, customer needs and requirements, cost and financial data, personnel files and other employee information, drawings, charts, diagrams, graphs, contracts, reports, manuals, handbooks, policies, proposals, worksheets, correspondence, memoranda, and forms.

(b) Exceptions. The obligations set forth in Section 3(a) hereof will not apply to any information that would otherwise constitute Confidential Information but that the Owner can reasonably demonstrate: (i) is known or available through other lawful sources not bound by a confidentiality agreement with, or other confidentiality obligation to, the Company; (ii) is or becomes publicly known or generally known through no fault of, or other wrongdoing by, the Owner or the Owner's affiliates or agents; (iii) is already in the possession of the person or entity receiving the information through lawful sources, not bound by a confidentiality agreement or other confidentiality obligation, and through no fault of the Owner or the Owner's affiliates or agents; (iv) the Buyer agrees in writing may be disclosed; or (v) is required to be disclosed pursuant to an order of any administrative body or court of competent jurisdiction (provided that, if possible, (A) the Company is given reasonable prior written notice, (B) the Owner cooperates (and causes the Owner's affiliates and agents to cooperate), at the Buyer's expense, with any reasonable request of the Buyer to seek to prevent or narrow such disclosure and (C) if after compliance with clauses (A) and (B) such disclosure is still required, the Owner and the Owner's affiliates and agents only disclose such portion of the Confidential Information that is expressly required by such order, as it may be subsequently narrowed).

4. Exceptions. Notwithstanding any provision of this Agreement to the contrary, the Owner shall not be prohibited or restricted by this Agreement from performing or engaging in any of the following:

(a) serving as a director of a private or public company primarily engaged in the business of providing products or services to any agency, branch or instrumentality of the United States Government or any state or local government, or (b) serving as an officer, member or director of a non-profit organization, trade association, task force, industry group or governmental advisory board primarily engaged in matters related to the provision of products or services to any agency, branch or instrumentality of the United States Government or any state or local government.

5. Representations and Warranties. The Owner represents and warrants, to and for the benefit of the Covered Parties, that: (a) the Owner has full power and capacity to execute and deliver, and to perform all of the Owner's obligations under, this Non-Competition Agreement; and (b) neither the execution and delivery of this Non-Competition Agreement nor the performance of the Owner's obligations hereunder will result directly or indirectly in a violation or breach of any agreement or obligation by which the Owner is bound. By entering into this Non-Competition Agreement, the Owner certifies and acknowledges that he has carefully read all of the provisions of this Non-Competition Agreement, and that the Owner voluntarily and knowingly enters into this Non-Competition Agreement.

6. Remedies. The Owner agrees that, in the event of any breach or threatened breach by the Owner of any covenant or obligation contained in this Non-Competition Agreement, each applicable Covered Party will be entitled (in addition to any other remedy at law or in equity that may be available, including monetary damages) to seek the following in addition to such other remedies as the Covered Party may seek and a court of competent jurisdiction may award: (a) an injunction restraining such breach or threatened breach, without the necessity of proving actual damages or posting bond or security, which the Owner expressly waives; and (b) recovery of the Covered Party's attorneys' fees and costs incurred in enforcing the Covered Party's rights under this Non-Competition Agreement. The Owner hereby consents to the award of any of the above remedies in connection with any such breach. The Owner hereby acknowledges and agrees that in the event of any breach of this Agreement, the portion of the consideration delivered to the "Seller" under the Purchase Agreement which is allocated by the parties thereto to this Agreement shall not be considered a measure of, or a limit on, the damages of the Covered Parties.

7. Integration and Non-Exclusivity. This Non-Competition Agreement and the Purchase Agreement and the documents referenced herein and therein contain the entire agreement between the Owner and the Covered Parties concerning its subject matter and no other representations, promises, agreements or understandings, written or oral, concerning such subject matter will be of any force or effect. Notwithstanding the foregoing, the rights and remedies of the Covered Parties under this Non-Competition Agreement are not exclusive of or limited by any other rights or remedies which they may have, whether at law, in equity, by contract or otherwise, all of which will be cumulative (and not alternative). Without limiting the generality of the foregoing, the rights and remedies of the Covered Parties, and the obligations and liabilities of the Owner, under this Non-Competition Agreement, are in addition to their respective rights, remedies, obligations and liabilities (i) under the laws of unfair competition, misappropriation of trade secrets, or other requirements of statutory or common law, or any applicable rules and regulations and (ii) conferred by contract, including the Purchase Agreement and any other written agreement between the Owner and any of the Covered Parties. Nothing in the Purchase Agreement will limit any of the obligations, liabilities, rights or remedies of any party, nor will any breach of the Purchase Agreement or any other agreement between the Owner and any of the Covered Parties limit or otherwise affect any right or remedy of the Covered Parties. Nothing in this Non-Competition Agreement shall supersede or otherwise negate any post-employment confidentiality, nondisclosure, nonsolicitation, noninterference, intellectual property or noncompetition obligations imposed by any other agreement between the Owner and any of the Covered Parties.

8. Severability; Independent Covenants; Blue Penciling.

(a) Severable Provisions. If any provision of this Non-Competition Agreement, or any part thereof, is found or held to be invalid or unenforceable in any jurisdiction, then (i) such provision or part thereof will be deemed amended to conform to applicable laws so as to be valid and enforceable to the fullest possible extent, (ii) the invalidity or unenforceability of such provision or part thereof will not affect the validity or enforceability of such provision or part thereof under any other circumstances or in any other jurisdiction, and (iii) the invalidity or unenforceability of such provision or part thereof will not affect the validity or enforceability of the remainder of such provision or the validity or enforceability of any other provision of this Non-Competition Agreement. Each provision and part thereof of this Non-Competition Agreement is separable from every other provision and part thereof of this Non-Competition Agreement.

(b) Independent Covenants. Each of the covenants in this Non-Competition Agreement will be construed as an agreement independent of any other agreement and independent of any other provision of this Non-Competition Agreement, and the existence of any claim or cause of action will not constitute a defense to the enforcement of such covenants.

(c) Reformation. If any court of competent jurisdiction determines that any part hereof is unenforceable because of the duration, geographic area covered, scope of such provision, or otherwise, such court will have the power to reduce the duration, geographic area covered or scope of such provision, as the case may be, and, in its reduced form, such provision will then be enforceable. The Owner will, at the Buyer's request, join the Buyer in requesting that such court take such action.

9. Governing Law; Jurisdiction; Venue; WAIVER OF JURY TRIAL.

(a) Law. This Non-Competition Agreement will be construed, enforced and governed by the laws of the State of Maryland without regard to its conflicts of law provisions.

(b) Jurisdiction; Venue; Waiver of Jury Trial. The Owner agrees that any legal action or other legal proceeding arising out of or relating to this Non-Competition Agreement may be brought in any state or federal court of proper jurisdiction serving Montgomery County, Maryland (or in any court in which appeal from such courts may be taken) (the "Specified Courts"). The Owner:

(i) agrees that any Specified Court will be deemed to be a convenient forum;

(ii) after valid service of process has been effected, agrees not to assert in any such legal proceeding commenced in any Specified Court, any claim that the Owner is not subject to personal jurisdiction of such court, that such legal proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Non-Competition Agreement may not be enforced in or by such court; and

(iii) HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS NON-COMPETITION AGREEMENT.

10. Waiver. Any delay or omission by a party in exercising its rights under this Non-Competition Agreement, or failure to insist upon strict compliance with any term, covenant, or condition of this Non-Competition Agreement will not be deemed a waiver of such term, covenant, condition or right, nor will any waiver or relinquishment of any right or power under this Non-Competition Agreement at any time or times be deemed a waiver or relinquishment of such right or power at any other time or times. No waiver will be effective unless it is expressly set forth in a written instrument executed by the waiving party and any such waiver will have no effect except in the specific instance in which it is given.

11. Successors and Assigns. This Non-Competition Agreement will be binding upon the Owner and the Owner's estate, successors and assigns, and will inure to the benefit of the Covered Parties, and their respective successors and assigns. Each Covered Party may freely assign any or all of its rights under this Non-Competition Agreement, at any time, in whole or in part, to any person or entity which purchases a majority of or all of the equity securities (whether by equity sale, merger or otherwise) or substantially all of the assets of such Covered Party, without obtaining the consent or approval of the Owner. The Owner agrees that the obligations of the Owner under this Non-Competition Agreement are personal and will not be assigned by the Owner.

12. Third Party Beneficiaries. Each of the Buyer's and the Company's present and future Affiliates, successors and direct and indirect subsidiaries are third party beneficiaries to all of the rights conferred to the Covered Parties by the Owner under this Non-Competition Agreement and, as such, are entitled to enforce the terms and restrictions contained herein.

13. Construction. The Owner acknowledges that he has been represented by counsel, or had the opportunity to be represented by counsel of his choice. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be applied in the construction or interpretation of this Non-Competition Agreement. Neither the drafting history nor the negotiating history of this Non-Competition Agreement will be used or referred to in connection with the construction or interpretation of this Non-Competition Agreement.

14. Survival of Obligations. The expiration of the Restricted Period will not relieve the Owner of any obligation or liability arising from any breach by the Owner of this Non-Competition Agreement during the Restricted Period. The Owner further agrees that the time period during which the covenants contained in Section 1 and Section 2 will be effective will be computed by excluding from such computation any time during which the Owner is in violation of any provision of such Sections.

15. Amendment. This Non-Competition Agreement may not be changed in any respect, except by a written agreement executed by the Owner and the Buyer (or any successor or assign).

16. Notices. All notices, requests, demands and other communications pertaining to this Non-Competition Agreement or otherwise required or permitted hereunder ("Notices") must be in writing addressed as follows:

(a) If to the Owner, to the address below the Owner's name on the signature page to this Non-Competition Agreement; and

(b) If to the Buyer (or any other Covered Party): DLH Holdings Corp., 3565 Piedmont Road, Suite 3-700, Atlanta, Georgia, Attn: Chief Executive Officer, with a copy to (that will not constitute notice) Holland & Knight LLP, 1600 Tysons Boulevard, Suite 700, McLean, Virginia 22102, Attention: Adam J. August, Facsimile: (703) 720-8610, E-Mail: adam.august@hklaw.com.

Notices will be deemed given on the first business day (which means a day, other than a Saturday or Sunday, on which commercial banks in Washington, DC are open for the general transaction of business) after being sent, prepaid, by nationally recognized overnight courier that issues a receipt or other confirmation of delivery. Notices delivered via facsimile or electronic-mail/e-mail will be deemed given when actually received (or refused) by the recipient. Notices delivered by personal service will be deemed given when actually received by the recipient. Any party may change the address to which Notices under this Non-Competition Agreement are to be sent to it by giving written notice of a change of address in the manner provided in this Non-Competition Agreement for giving notice.

17. Electronic Signature. This Non-Competition Agreement may be executed by transfer of an originally signed document by facsimile, e-mail in PDF format, or other electronic means, each of which will be as fully binding as an original document.

(Signature appears on following page.)

IN WITNESS WHEREOF, the Owner has duly executed and delivered this Non-Competition Agreement as of the date first above written.

Jeffrey Hoffman, individually

/s/ Jeffrey Hoffman

Address:_____

_____

Telephone No.: (_____)_____

Facsimile No.: (_____)_____

Electronic mail: (_____)_____

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LOAN AGREEMENT

Among

DLH Holdings Corp. (the "Company"), DLH Solutions, Inc. and Danya International, LLC (the "Subsidiary Borrowers" and together with the Company, the "Borrower")

and

Fifth Third Bank as "Bank"

Dated as of May 2, 2016

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LOAN AGREEMENT

This Loan Agreement dated as of May 2, 2016 (this "Agreement"), is among Fifth Third Bank, an Ohio Banking Corporation (the "Bank"), and DLH Holdings Corp., a New Jersey corporation (the "Company"), DLH Solutions, Inc., a Georgia corporation, Danya International, LLC, a Maryland limited liability company (the "Subsidiary Borrowers" and together with the Company, the "Borrowers"),

1. DEFINED TERMS

As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Company or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any Person or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the voting stock of any Person.

"Adjusted EBITDA" means EBITDA plus (i) cost synergies; (ii) non-cash stock option expense; (iii) executive compensation; (iv) contract renewal bonuses; (v) excess facility costs; (vi) severance expense; and (vii) normalized unallowable costs. For avoidance of any doubt, Adjusted EBITDA shall be computed consistent with Schedule 1 attached hereto which sets forth as an example a Summary Income Statement and EBITDA and Adjusted EBITDA Schedule for the last four fiscal quarters ended March 31, 2016.

"Advance" means a borrowing hereunder (or conversion or continuation thereof) consisting of the aggregate amount of the several Loans made by the Bank (or converted or continued by the Bank on the same date of conversion or continuation).

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this Loan Agreement as it may be amended, restated or modified from time to time.

"Applicable Margin" means 3.00%.

"Attributable Indebtedness" means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Available Letter of Credit Commitment" means the Letter of Credit Commitment minus an amount equal to the outstanding Letters of Credit issued hereunder.

"Borrower" is defined in the preamble hereto.

"Borrowing Base Agreement" means that certain Borrowing Base Agreement between Borrower and Bank dated as of even date herewith.

"Borrowing Base Certificate" means the certificate showing the availability of Advances required pursuant to the Borrowing Base Agreement.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, Cincinnati, Ohio and, if such day relates to any LIBOR Rate Increment, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

"Capital Expenditures" means expenditures to purchase real estate, equipment, or machinery.

"Capital Stock" means (i) in the case of any corporation, all capital stock and any securities exchangeable for or convertible into capital stock and any warrants, rights or other options to purchase or otherwise acquire capital stock or such securities or any other form of equity securities, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited), and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Change of Control" shall mean the occurrence, after the date hereof, of any of the following: (i) any person or group of persons (within the meaning of Section 13 or 14 of the Securities Exchange Act of 1934, as amended), other than any employee benefit plan or plans (within the meaning of Section 3(3) of ERISA), shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under said Act) of 35% or more in voting power of the outstanding Voting Stock of the Parent, or (ii) during any period of twelve (12) consecutive calendar months, individuals who were directors of the Parent on the first day of such period shall cease to constitute a majority of the board of directors of the Parent other than because of the replacement as a result of death or disability of one or more such directors; provided that for purposes of this definition, the aggregate beneficial ownership of the Voting Stock of the Parent as of the date hereof by Wynnefield Partners Small Cap Value, LP, Wynnefield Partners Small Cap Value, LP I, Wynnefield Small Cap Value Offshore Fund, Ltd. and any other affiliated entity controlled by Wynnefield Capital, Inc. shall not constitute a Change of Control.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any rule, regulation, treaty or other law, (b) any change in any rule, regulation, treaty or other law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules,

guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, and (iii) all requests, rules, guidelines or directives issued by a Governmental Authority in connection with the Bank's submission or re-submission of a capital plan under 12 C.F.R. § 225.8 or a Governmental Authority's assessment thereof shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted, implemented, promulgated or issued.

"Closing Date" means May 2, 2016.

"Code" means the Internal Revenue Code of 1986.

"Collateral" shall mean any and all assets and rights and interests in or to property of Borrower, whether real or personal, tangible or intangible, in which a Lien is granted or purported to be granted pursuant to the Collateral Documents.

"Collateral Documents" means all agreements, instruments and documents now or hereafter executed and delivered in connection with this Agreement pursuant to which Liens are granted or purported to be granted to Bank in Collateral securing all or part of the Obligations each in form and substance reasonably satisfactory to Bank, as each may be amended, restated or modified from time to time.

"Collections Accounts" means that certain accounts numbered #7460952679 and #7460952828 maintained at Bank or such other account as Bank may designate as the Collections Account (which accounts may be subject springing deposit account control agreements at the Bank's option).

"Consolidated Entity" means at any date any Subsidiary, and any other entity the accounts of which would be combined or consolidated with those of the Borrower in its combined or consolidated financial statements if such statements were prepared as of such date.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

'Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means a rate of interest which is 200 basis points higher than the rate of interest otherwise provided under this Agreement.

"Dollar" and "$" mean lawful money of the United States.

"EBITDA" means net income, less income or plus loss from discontinued operations and extraordinary items, plus income taxes, plus interest expense, plus depreciation, depletion, amortization, calculated in each case for Borrower and its Subsidiaries on a consolidated basis. For avoidance of any doubt, EBITDA shall be computed consistent with Schedule 1 attached hereto which sets forth as an example a Summary Income Statement and EBITDA and Adjusted EBITDA Schedule for the last four fiscal quarters ended March 31, 2016.

"Equity Interest" means as to any Person all shares, options, warrants, general or limited partnership interests, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Exchange Act).

"Event of Default" has the meaning specified in Article 9.

"Excluded Taxes" means, with respect to Bank and its successors and assigns, (a) taxes imposed on or measured by its gross or net income (however denominated), or business privilege, Capital Stock, or franchise taxes imposed on it (whether calculated on gross or net assets, gross or net income, capitalization or any combination of the foregoing), by any Governmental Authority, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which Borrower is located.

"Excess Cash Flow" with respect to any fiscal year equals EBITDA plus any change in Working Capital, less the sum of voluntary principal prepayments on the Term Loan and scheduled principal payments on funded debt (including amortization of the Term Loan but excluding prepayments of the Revolving Loan except to the extent such prepayment results in a permanent reduction in the Revolving Loan commitment), cash interest charges, cash tax payments and tax distributions, unfunded Capital Expenditures.

"Fixed Charge Coverage Ratio" means the ratio of (a) Borrower's Adjusted EBITDA plus rent and operating lease payments, less cash taxes paid, distributions, dividends and capital expenditures (other than Capital Expenditures financed with the proceeds of purchase money Indebtedness or Capital Leases to the extent permitted hereunder) and other extraordinary items for the twelve month period then ending to (b) the consolidated sum of (i) Borrower's interest expense, and (ii) all principal payments with respect to Indebtedness that were paid or were due and payable by all Consolidated Entities during the period plus rent and operating lease expense incurred in the same such period.

"Funded Debt" with respect to any Person, without duplication, (a) all Indebtedness for borrowed money and (b) all Indebtedness evidenced by notes, bonds, debentures or similar instruments, or upon which interest payments are customarily made, in each case, that by its terms matures more than one (1) year from, or is directly or indirectly renewable or extendible at such Person's option under a revolving credit or similar agreement obligating the lender or lenders to extend credit over a period of more than one (1) year from, the date of creation thereof, and

specifically including, without limitation, capitalized lease obligations, current maturities of long-term debt, revolving credit and short-term debt extendible beyond one (1) year at the option of the debtor, and also including, in the case of the Borrower, the Obligations and, without duplication, Guaranteed Obligations in respect of Funded Debt of other Persons.

"Funded Indebtedness to Adjusted EBITDA" means the ratio of (a) indebtedness (i) in respect of money borrowed or (ii) evidenced by a note, debenture (excluding subordinated) or other like written obligation to pay money, or (iii) in respect of rent or hire of property under leases or lease arrangements which under generally accepted accounting principle are required to be capitalized, or (iv) in respect of obligations under conditional sales or other title retention agreements to (b) EBITDA.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" means as to any Person, without duplication, any obligation of such Person guaranteeing, providing comfort or otherwise supporting any Indebtedness, lease, dividend, or other obligation ("primary obligation") of any other Person (the "primary obligor") in any manner, including any obligation or arrangement of such Person to (a) purchase or repurchase any such primary obligation, (b) advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (d) protect the beneficiary of such arrangement from loss (other than product warranties given in the ordinary course of business) or (e) indemnify the owner of such primary obligation against loss in respect thereof; provided that the term Guaranteed Obligations shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guaranteed Obligations at any time shall be deemed to be an amount equal to the lesser at such time of (x) the stated or determinable amount of the primary obligation in respect of which such Guaranteed Obligations is incurred and (y) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guaranteed Obligations, or, if not stated or determinable, the maximum reasonably anticipated liability (assuming full performance) in respect thereof.

"Guarantor" means any Person that executes a Guarantee of the Obligations.

"Increment" shall mean any principal amount under the Loan bearing interest under the Libor Rate or any substitute rate.

"Indebtedness" means (i) all items (except items of Capital Stock, of capital surplus, of general contingency reserves or of retained earnings, deferred income taxes, and amount attributable to minority interest if any) which in accordance with generally accepted accounting principles would be included in determining total liabilities on a consolidated basis (if Borrower should have a subsidiary) as shown on the liability side of a balance sheet as at the date as of which indebtedness is to be determined, (ii) all indebtedness secured by any mortgage, pledge, lien or conditional sale or other title retention agreement to which any property or asset owned or held is subject, whether or not the indebtedness secured thereby shall have been assumed (excluding non-capitalized leases which may amount to title retention agreements but including capitalized leases), and (iii) all indebtedness of others which Borrower or any Subsidiary has directly or indirectly guaranteed, endorse (otherwise than for collection or deposit in the ordinary course of business), discounted or sold with recourse or agreed (contingently or otherwise) to purchase or repurchase or otherwise acquire, or in sold with recourse or agreed (contingently or otherwise) to purchase or repurchase or otherwise acquire, or in respect of which Borrower or any Subsidiary has agreed to apply or advance funds (whether by way of loan, stock purchase, capital contribution or otherwise) or otherwise to become directly or indirectly liable.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof

as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Interest Payment Date" means the 1st day of each month, beginning June 1, 2016, and provided further that, in addition to the foregoing, each of (x) the date upon which each of the Revolving Loan Commitment and the Term Loan Commitment have been terminated and the Loans have been paid in full and (y) the Term Loan Maturity Date and the Revolving Line of Credit Maturity Date, shall be deemed to be an "Interest Payment Date" with respect to any interest (including interest accruing at the Default Rate) that has then accrued under this Agreement.

"Interest Period" means with respect to any LIBOR Rate Principal, the period commencing on the date such LIBOR Rate Principal is disbursed or on any subsequent Interest Rate Determination Date and ending on last day of each calendar month thereafter.

"Interest Rate Determination Date" shall mean the date that the Loan is funded and the first day of each calendar month thereafter, beginning June 1, 2016.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Capital Stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IRS" means the United States Internal Revenue Service.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lending Office" means, as to Bank, the office of Bank in Atlanta, Georgia.

"Letter of Credit Commitment" shall mean the obligation of the Bank to issue Letters of Credit in an aggregate face amount not to exceed One Million Dollars ($1,000,000.00) outstanding at any time as a sublimit under the Revolving Line of Credit Commitment, as such obligations may be reduced from time to time pursuant to the terms hereof.

"Letter of Credit Obligations" shall mean, at any time, the sum of (a) an amount equal to the aggregate undrawn and unexpired amount of the then outstanding Letters of Credit (including the amount to which any such Letter of Credit can be reinstated pursuant to the terms hereof); and (b) an amount equal to the aggregate, but unreimbursed, drawings on any Letters of Credit.

"Letter of Credit Reserve Account" shall mean any account maintained by the Bank, the proceeds of which shall be held by Bank as cash collateral for any Letter of Credit repayment obligations.

"Letters of Credit" shall mean, collectively, standby Letters of Credit and commercial Letters of Credit issued by the Bank on behalf of the Borrower or its Subsidiaries from time to time in accordance with the terms hereof.

"LIBOR Business Day" means a Business Day which is also a London Banking Day.

"LIBOR Rate" is, as of any date of determination in accordance with this Agreement, the rate of interest fixed by ICE Benchmark Administration Limited (or any successor thereto, or replacement thereof, approved by Bank, each an "Alternate LIBOR Source") at approximately 11:00 a.m., London, England time (or the relevant time established by ICE Benchmark Administration Limited, an Alternate LIBOR Source, or Bank, as applicable), two (2) Business Days prior to such date of determination, relating to quotations for the one month London InterBank Offered Rates on U.S. Dollar deposits, as displayed by Bloomberg LP (or any successor thereto, or replacement thereof, as approved by Bank, each an "Approved Bloomberg Successor"), or, if no longer displayed by Bloomberg LP (or any Approved Bloomberg Successor), such rate as shall be determined in good faith by Bank from such sources as it shall determine to be comparable to Bloomberg LP (or any Approved Bloomberg Successor), all as determined by Bank in accordance with this Note and Bank's loan systems and procedures periodically in effect. Notwithstanding anything to the contrary contained herein, in no event shall the LIBOR Rate be less than 0% as of any date (the "LIBOR Rate Minimum"); provided that, at any time during which a Swap Contract with Bank is then in effect with respect to all or a portion of the Obligations, the LIBOR Rate Minimum, the Rounding Adjustment and the Adjustment Protocol (as defined below) shall all be disregarded and no longer of any force and effect with respect to such portion of the Obligations subject to such Swap Contract. Each determination by Bank of the LIBOR Rate shall be binding and conclusive in the absence of manifest error. The rate shall be adjusted on the first Interest Rate Determination Date and each subsequent Interest Rate Determination Date thereafter (the "Adjustment Protocol"). For purposes herein, the Libor Rate shall never be deemed to be below 0.00% regardless of the actual rate reported by the Bloomberg reporting service, or such similar service selected by the Bank.

"LIBOR Rate Increment" means an Increment under the Loan that bears interest at a rate based on the LIBOR Rate.

"LIBOR Rate Principal" means any portion of the Principal Debt which bears interest at an applicable LIBOR Rate at the time in question.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan" means the Term Loan or the Revolving Line of Credit Loan, as the case may be, made by Bank to Borrower pursuant to Section 2 in an amount not to exceed the Term Loan Commitment and the Revolving Loan Commitment. Collectively the Term Loan and the Revolving Line of Credit Loan are referred to as the "Loans."

"Loan Documents" means this Agreement and each Collateral Document.

"London Banking Day" means a day on which banks in London are open for business and dealing in offshore dollars.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) of Borrower and any Subsidiaries taken as a whole; (b) a material and sustained impairment of the ability of Borrower to perform its material obligations under any Loan Documents; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against Borrower of any material provisions of the Loan Documents.

"Note" means collectively, the promissory notes evidencing the Term Loan and the Revolving Line of Credit Loan.

"Obligations" means all advances to, and debts, liabilities, obligations, reimbursement obligation or indemnity of the Borrower on account of Letters of Credit, ACH, payment-cards, covenants and duties of Borrower to Bank, whether arising under any Loan Document or otherwise with respect to the Loan, any Swap Contract, or any other contract, agreement, instrument or other document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"Obligor" means for purposes of this Agreement any Guarantors.

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Taxes" means all present or future stamp, intangible or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document. Other Taxes shall not include Excluded Taxes.

"Permitted Liens" means (i) liens for taxes not yet due and payable; (ii) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like liens arising in the ordinary course of business, payment for which is not more than thirty (30) days past due or which are being contested in good faith and by appropriate proceedings; (iii) pledges or deposits in connection with worker's compensation, unemployment insurance and other social security legislation; (iv) deposits to secure the performance of utilities, lease, statutory obligations and surety and appeal bonds, bids, tenders, contracts (other than contracts relating to Indebtedness) and other obligations of a like nature incurred in the ordinary course of business; (v) bankers' liens, rights of setoff and similar liens arising by statute or under customary terms regarding depository relationships on deposits held by financial institutions with whom either Borrower has a banker-customer relationship; (vi) typical restrictions imposed by licenses and leases of software (including location and transfer restrictions); (vii) judgment liens in respect of judgments that do not constitute an Event of Default; (viii) liens in favor of Bank, (ix) easements, rights of way, zoning restrictions, minor defects and irregularities of title and other charges or encumbrances with respect to real property, which in each case do not interfere in any material respect with the conduct of the Borrower's or any Subsidiary's business, (x) rights of setoff included in commercial contracts, (xi) other liens incidental to the conduct of the Borrower's and its Subsidiaries' business or the ownership of its property and assets which were not incurred in connection with the borrowing of money or obtaining of advances or credit, and which do not in the aggregate materially detract from the Bank's rights to the Collateral or the value of the Borrower's and its Subsidiaries' property or assets; (xii) liens on assets purchased, leased or otherwise acquired, or reconditioned or improved, with Indebtedness, including capital lease obligations, and any renewals or extensions thereof, so long as the amount secured is not increased, and (xiii) those liens, if any, set forth and described on Exhibit B, and any renewals or extensions thereof, so long as the property covered by such liens is not expanded, and the amount secured is not increased.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Pledge Agreement" means a Pledge Agreement executed by the Company pledging in favor of Bank the Capital Stock in either a Subsidiary Borrower or any other Subsidiary.

"Prime Rate" means the floating rate of interest established from time to time by Bank at its principal office as its "Prime Rate", whether or not Bank shall at times lend to borrowers at lower rates of interest.

"Principal Debt" means the aggregate unpaid principal balance on the Loans per the terms of this Agreement and related Loan Documents at the time in question.

"Revolving Line of Credit Commitment" means $10,000,000.00.

"Revolving Line of Credit Loan" means the Loan provided for in Section 2.3.

"Revolving Line of Credit Maturity Date" means May 1, 2018.

"Subordination Agreement" means that certain Subordination Agreement dated of the date hereof among Bank, Company, Wynnefield Partners Small Cap Value, LP, Wynnefield Partners Small Cap Value, LP I and Wynnefield Small Cap Value Offshore Fund, Ltd.

"Subordinated Liabilities" means liabilities subordinated to Borrower's obligations to Bank in a manner acceptable to Bank in its sole discretion.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Borrower.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Bank or any Affiliate of the Bank).

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person

but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan Commitment" means $25,000,000.

"Term Loan" means the Loan provided for in Section 2.1.

"Term Loan Maturity Date" shall mean May 1, 2021.

"United States" and "U.S." mean the United States of America.

"Working Capital" means as of the date of the determination, current assets as of such date minus current liabilities as of such date calculated in accordance with GAAP.

"Wynnefield Subordinated Notes" means Indebtedness in an amount not to exceed $2,500,000.00 owing by the Company to Wynnefield Partners Small Cap Value, LP, Wynnefield Partners Small Cap Value, LP I, Wynnefield Small Cap Value Offshore Fund, Ltd or any other affiliated fund controlled by Wynnefield Capital, Inc.

1.2 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such

law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including but not limited to cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.3 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Borrower's and its Consolidated Subsidiaries' audited financial statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either Bank or Borrower shall request, Bank and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) Borrower shall provide Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.4 Rounding. Any financial ratios required to be maintained by Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.5 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

2. LOAN AMOUNT AND TERMS

2.1 Term Loan.

(a) The Bank agrees to provide a term loan to the Borrower in the amount of the Term Loan Commitment.

(b) The Term Loan is available in one disbursement from the Bank at closing.

2.2 Repayment of Term Loan.

(a) The Borrower will pay all accrued and unpaid interest on the outstanding principal amount of the Term Loan on each Interest Payment Date until payment in full of any principal outstanding under the Term Loan at the then applicable rate per annum set forth in Section 2.7 hereof (plus any interest at the Default Rate if applicable).

(b) The principal amount of the Term Loan shall be payable in fifty-nine (59) consecutive monthly installments of $312,500.00 payable on the first (1st) day of each month, beginning on June 1, 2016, and all remaining principal shall be payable on the Term Loan Maturity Date.

2.3 Revolving Line of Credit.

(a) During the availability period described below, the Bank will provide a line of credit to the Borrower in the amount of the Revolving Line of Credit Commitment.

(b) This is a revolving line of credit. The Borrower will pay interest on the outstanding principal amount of the Revolving Line of Credit Loan on each Interest Payment Date until the Revolving Line of Credit Loan has been repaid in its entirety, at the applicable rate per annum set forth in Section 2.6 hereof (plus any interest at the Default Rate if applicable). The Borrower agrees not to permit the principal balance outstanding to exceed the lesser of the Revolving Line of Credit Commitment or the amount allowed under the Borrowing Base Agreement. If the Borrower exceeds this limit, the Borrower will pay the excess to the Bank within one (1) Business Day following the Bank's demand.

(c) The Borrower will repay in full any principal, interest or other charges outstanding under this facility no later than the Revolving Line of Credit Maturity Date.

2.4 Availability Period.

The Revolving Line of Credit Loan is available between the date of this Agreement and the Revolving Line of Credit Maturity Date or such earlier date as the availability may terminate as provided for in this Agreement.

2.5 Letters of Credit.

As part of the Revolving Line of Credit Loan, Bank agrees to issue Letters of Credit for the account of the Borrower in an aggregate amount not to exceed the Available Letter of Credit Commitment determined immediately prior to giving effect to the issuance thereof. Such aggregate amounts utilized hereunder shall at all times reduce the amount otherwise available for Advances under the Revolving Line of Credit Loan. All Letters of Credit shall be in form and substance reasonably

acceptable to Bank in its sole discretion and shall be subject to the terms and conditions of Bank's then current standard Application and Letter of Credit Agreement (the "Letter of Credit Application"). Borrower agrees to execute any further documentation in connection with any Letters of Credit as Bank may reasonably request. In the event a drawing is paid on a Letter of Credit, the Bank shall promptly notify Borrower thereof.

2.6 Borrowing Base.

The Revolving Line of Credit Loan is subject to a borrowing base in accordance with the terms and conditions of a Borrowing Base Agreement executed by the Borrower in favor of the Bank as required under this Agreement and attached hereto as Exhibit A. The terms of the Borrowing Base (as defined in the Borrowing Base Agreement) include requirements to maintain collateral with an adequate loan value and grant to the Bank the right to issue a margin call in the event such requirements are not met. Further, any failure to meet the Borrowing Base requirements permits the Bank to refuse to make advances or other financial accommodations. The inability of the Borrower to bring the Line of Credit Loan into compliance with the Borrowing Base Agreement Failure may constitute an Event of Default under this Agreement.

2.7 Interest Rate.

1. Term Loan. The following interest rate shall be applicable for an Advance under the Term Loan:

(i) LIBOR Rate plus the Applicable Margin.

2. Revolving Line of Credit Loan. The following interest rate shall be applicable to an Advance under the Revolving Line of Credit Loan:

(i) LIBOR Rate plus the Applicable Margin.

2.8 Optional Prepayment.

Upon three (3) Business Days' prior written notice to the Bank, the Borrower shall have the right to prepay in whole or in part the Term Loan and/or the then outstanding Revolving Line of Credit Loans, in each case without premium or penalty. No such prepayment shall eliminate or waive any fees or costs associated with the termination of any Swap Contract which Borrower may enter into with Bank or any other party.

2.9 Excess Cash Flow Recapture Payment

Within fifteen (15) days' receipt of the annual financial statement as required in Section 8.1(a) commencing with the year ending on September 30, 2017, the Borrower shall pay to Bank an amount (the "Cash Flow Recapture Payment") equal to (a) 75% of the Excess Cash Flow of the Borrower for each year in which the Funded Indebtedness to Adjusted EBITDA Ratio is greater than or equal to 2.50:1.00, or (b) 50% of the Excess Cash Flow of the Borrower for each fiscal year in which the Funded Indebtedness to Adjusted EBITDA Ratio is less than 2.50:1.00 but

greater than or equal to 2.00:1.00. Borrower will provide a worksheet for Bank's review and approval showing how the Cash Flow Recapture Payment is calculated prior to the time any such payment is made. Borrower may apply as an offset to any such Cash Flow Recapture Payment any voluntary prepayments of principal made by Borrower on the Term Loan for such fiscal year. The Cash Flow Recapture Payment shall be applied to the outstanding principal balance of the Term Loan until the Term Loan shall have been paid in full. The Cash Flow Recapture Payment is in addition to the monthly scheduled payments.

2.10 Interest Calculation.

Except as otherwise stated in this Agreement, all interest and fees, if any, will be computed on the basis of a 360-day year and the actual number of days elapsed in the case of LIBOR Increments. Installments of principal which are not paid when due under this Agreement shall continue to bear interest until paid at the Default Rate.

2.11 Interest Limited.

As used in this Agreement the term "interest" does not include any fees (including, but not limited to, any loan fee, periodic fee, unused commitment fee or waiver fee) or other charges imposed on the Borrower in connection with the Indebtedness evidenced by this Agreement, other than the interest described above. In no event shall the amount or rate of interest due and payable under this Agreement exceed the maximum amount or rate of interest allowed by applicable law and, in the event any such excess payment is made by the Borrower or received by the Bank, such excess sum shall be credited as a payment of principal (or if no principal shall remain outstanding, shall be refunded to the Borrower). It is the express intent hereof that the Borrower not pay and the Bank not receive, directly or indirectly, interest in excess of that which may be lawfully paid under applicable law including the usury laws in force in the State of Georgia.

2.12 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Bank (except any reserve requirement reflected in the LIBOR Rate);

(ii) subject Bank to any tax of any kind whatsoever with respect to this Agreement, or change the basis of taxation of payments to Bank in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 2.12 and the imposition of, or any change in the rate of, any Excluded Tax payable by Bank); or

(iii) impose on Bank or the London interbank market any other condition, cost or expense affecting this Agreement or LIBOR Rate Increments;

and the result of any of the foregoing shall be to increase the cost to Bank of making or maintaining any LIBOR Rate Increment, or to reduce the amount of any sum received or receivable by Bank hereunder (whether of principal, interest or any other amount) then,

upon request of Bank, Borrower will pay to such Bank, such additional amount or amounts as will compensate Bank for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If Bank determines that any Change in Law affecting Bank or the Lending Office or the Bank's holding company regarding capital requirements has or would have the effect of reducing the rate of return on Bank's capital or on the capital of Bank's holding company as a consequence of this Agreement to a level below that which Bank or Bank's holding company could have achieved but for such Change in Law (taking into consideration Bank's policies and the policies of Bank's holding company with respect to capital adequacy), then from time to time Borrower will pay to Bank, such additional amount or amounts as will compensate Bank or Bank's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of Bank setting forth the amount or amounts necessary to compensate Bank or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to Borrower shall be conclusive absent manifest error. Borrower shall pay Bank the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of Bank to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of Bank's right to demand such compensation, provided that Borrower shall not be required to compensate Bank pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that Bank notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

2.13 Inability to Determine Rates.

If Bank, by written or telephonic notice, notifies Borrower that:

(a) any change in any law, regulation or official directive, or in the interpretation thereof, by any governmental body charged with the administration thereof, has made it unlawful for Bank to fund or maintain its funding in Eurodollars of any portion of any advance subject to the LIBOR Rate or otherwise give effect to Bank's obligations as contemplated hereby, or

(b)(i) LIBOR deposits for periods of one month are not readily available in the London Interbank Offered Rate Market, (ii) by reason of circumstances affecting such market or other economic conditions, adequate and reasonable methods do not exist for ascertaining the rate of interest applicable to such deposits, or (iii) the LIBOR Rate as determined by Bank will not adequately and fairly reflect the cost to Bank of making or maintaining advances under this Note bearing interest with reference to the LIBOR Rate (including inaccurate or inadequate reflection of actual costs resulting from the calculation of rates by reporting sources), then, in any of such events: (A) Bank's obligations in respect of the LIBOR Rate shall terminate forthwith, (B) the LIBOR Rate with respect to Bank shall forthwith cease to be in effect, (C)

Borrower's right to utilize LIBOR Rate index pricing as set forth in this Note shall be terminated forthwith, and (D) amounts outstanding hereunder shall, on and after such date, bear interest at a rate per annum equal to: (1) the Prime Rate, or, if there is no such Prime Rate, then such other rate as may be substituted by Bank for such Prime Rate. Each determination by Bank of the Prime Rate shall be binding and conclusive in the absence of manifest error. In the event of a change in the Prime Rate, the interest rate accruing hereunder based upon the Prime Rate shall be changed immediately with such change to be based upon such new Prime Rate.

2.14 Mitigation Obligations.

If Bank requests compensation under Section 2.11, or Borrower is required to pay any additional amount to Bank or any Governmental Authority for the account of Bank pursuant to Section 2.11, or if Bank gives a notice pursuant to Section 2.12(b), then Bank shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the reasonable determination of Bank, such designation or assignment (i) would eliminate or reduce amounts payable under Article 2, in the future, and (ii) in each case, would not subject Bank to any unreimbursed cost or expense and would not otherwise be materially disadvantageous to Bank. Borrower hereby agrees to pay all reasonable costs and expenses incurred by Bank in connection with any such designation or assignment.

3. FEES AND EXPENSES

3.1 Fees.

(a) Facility Fee. A facility fee equal to $350,000.00 shall be paid to the Bank on the Closing Date.

(b) Unused Commitment Fee. Borrower agrees to pay a fee on any difference between the Revolving Loan Commitment and the amount of credit it actually uses, determined by the average of the daily amount of credit outstanding during the specified period. The fee will be calculated at 0.30% per year. The fee is payable monthly on the Interest Payment Date.

3.2 Expenses.

The Borrower agrees to (a) reimburse and indemnify the Bank for any reasonable expenses it incurs (i) in the preparation of this Agreement and the Loan Documents and in connection with the continued administration of the Loan Documents including any amendments, modifications, consents and waivers, (ii) creating, perfecting and maintaining its Lien on the Collateral pursuant to the Loan Documents, including filing and recording fees and expenses, the costs of any bonds required to be posted in respect of future filing and recording fees and expenses, title investigations, environmental studies, appraisals and intangible taxes, and (iii) any matters contemplated by or arising out of the Loan Documents, including Bank's customary field audit

charges (but, provided that no Event of Default has occurred and is continuing, only twice per year) and the reasonable fees, expenses and disbursements of the Bank or any accountants or other experts retained by the Bank (including any affiliate of Bank as shall be engaged for such purpose) in connection with accounting and collateral audits or reviews of the Borrower and its affairs; and (b) to promptly pay all fees, costs and expenses (including attorneys' fees and expenses) incurred by Bank in connection with any action to enforce any Loan Document or to collect any payments due from Borrower. All fees, costs and expenses for which Borrower is responsible under this Section 3.2 shall be deemed part of the Obligations when incurred, and shall be payable within ten (10) days following demand by the Bank.

4. COLLATERAL

4.1 Personal Property.

The property listed below now owned or owned in the future by the Borrower will secure the Borrower's obligations to the Bank under this Agreement. The Collateral is further defined in security or pledge agreements executed by the parties who own the Collateral. The Collateral shall secure all other present and future obligations of the Borrower to the Bank. All Collateral securing any other present or future obligations of the Borrower to the Bank shall also secure this Agreement.

(a) Inventory.

(b) Accounts, chattel paper, instruments, documents of title and letter of credit rights.

(c) Equipment including vehicles, trailers and any equipment or goods for which certificates of title are issued.

(d) All investment property and securities entitlements.

(e) Deposit accounts.

(f) Intangibles including all patents, patent rights, trademarks, and servicemarks (and goodwill appurtenant thereto) trademark rights, trade names, servicemark rights, trade name rights, copyrights, trade secret rights and all other intellectual property rights.

(g) Commercial tort claims.

(h) The Capital Stock of the Subsidiary Borrowers.

All deposit accounts shall be treated as having been owned by one single entity for purposes of setoff, paying overdrafts or other charges or expenses incurred in any one deposit account.

5. DISBURSEMENTS, PAYMENTS AND COSTS

5.1 Disbursements and Payments.

(a) Each payment by the Borrower will be made in U.S. Dollars and immediately available funds by direct debit to a deposit account as specified below or, for payments not required to be made by direct debit, by mail to the address shown on the Borrower's statement or at one of the Bank's banking centers in the United States.

(b) Each disbursement by the Bank and each payment by the Borrower will be evidenced by records kept by the Bank. In addition, the Bank may, at its discretion, require the Borrower to sign one or more promissory notes to evidence the Term Loan and the Revolving Line of Credit Loan.

5.2 Date of Application of Payments.

All payments and disbursements which would be due on a day which is not a Business Day will be due on the next Business Day. All payments received on a day which is not a Business Day will be applied to the credit on the next Business Day.

6. CONDITIONS

Before the Bank is required to extend any credit to the Borrower under this Agreement, it must receive any documents and other items it may reasonably require, in form and content reasonably acceptable to the Bank, including any items specifically listed below.

6.1 Loan Documents.

The Bank (or its counsel) shall have received from the Borrower (i) an original of this Agreement and all Loan Documents signed on behalf of such party or (ii) written evidence satisfactory to the Bank (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

6.2 Lien Searches.

Bank shall have received Uniform Commercial Code, tax and judgment lien search reports with respect to Borrower indicating that there are no prior Liens on any assets of Borrower other than Permitted Liens.

6.3 Authorizations.

The Bank shall have received such documents and certificates as the Bank or its counsel may reasonably request relating to the organization, existence and good standing of the Borrower, the authorization of the Borrower to enter into this Agreement and any other legal matters relating to the Borrower or the Loan Documents, all in form and substance satisfactory to the Bank and its counsel.

6.4 Governing Documents.

Such documents and certifications as Bank may reasonably require to evidence that the Borrower is duly organized or formed, and that the Borrower is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.5 Collateral Assignments and Related Documents.

Signed original assignments, pledges, financing statements or other documents as may be necessary for Bank to perfect its security interest in the Collateral.

6.6 Perfection and Evidence of Priority.

Evidence that the security interests and liens in favor of the Bank are valid, enforceable, properly perfected in a manner acceptable to the Bank and prior to all others' rights and interests, except those the Bank consents to in writing or permitted under Section 8.7.

6.7 Payment of Fees.

Payment of all fees and other amounts due and owing to the Bank, including without limitation payment of all accrued and unpaid expenses incurred by the Bank as required by Section 3.2.

6.8 Legal Opinion.

A favorable written opinion from the Borrower's legal counsel, addressed to Bank, with respect to due execution, authority, enforceability of the Loan Documents, and such other matters as the Bank may require. The legal counsel and the terms of the opinion must be reasonably acceptable to the Bank.

6.9 Know Your Customer.

The Bank shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

6.10 Ownership Interests in Subsidiary Borrowers.

As of the date of this Agreement, Company owns all of the Capital Stock in the Subsidiary Borrowers issued and outstanding, all of which are owned by the Company free and clear of all encumbrances. The pledge, collateral assignment and delivery of the Capital Stock of the Subsidiary Borrowers pursuant to a Pledge Agreement create a valid first lien and first and senior security interest in the Capital Stock of the Subsidiary Borrowers, which lien and security interest are perfected.

6.11 Conditions to All Advances.

The obligation of the Bank to make any Advance hereunder is subject to the following conditions precedent:

(a) The representations and warranties of Borrower contained in Article 7 or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of the Loan, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date and (ii) for changes therein occurring after the date hereof which are not prohibited by the terms of this Agreement.

(b) No Default shall exist, or would result from such proposed Advance or from the application of the proceeds thereof.

7. REPRESENTATIONS AND WARRANTIES

When the Borrower signs this Agreement, and until the Bank is repaid in full, the Borrower makes the following representations and warranties. Each request for an extension of credit constitutes a renewal of these representations and warranties as of the date of the request:

7.1 Formation.

(a) The Company (i) is duly organized, validly existing and in good standing as a corporation under the laws of the State of New Jersey, (ii) has all requisite power and authority to carry on its business as now conducted and (iii) is duly qualified to do business, and is in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

(b) DLH Solutions, Inc. (i) is duly organized, validly existing and in good standing as a corporation under the laws of the State of Georgia, (ii) has all requisite power and authority to carry on its business as now conducted and (iii) is duly qualified to do business, and is in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

(c) Danya International, LLC (i) is duly organized, validly existing and in good standing as a limited liability company under the laws of the State of Maryland, (ii) has all requisite power and authority to carry on its business as now conducted and (iii) is duly qualified to do business, and is be in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

7.2 Authorization.

The execution, delivery and performance by the Borrower of each of the Loan Documents to which it is a party are within the Borrower's powers and have been duly authorized by all necessary corporate action in compliance with the Organization Documents.

7.3 Enforceable Agreement.

This Agreement is a legal, valid and binding agreement of the Borrower, enforceable against the Borrower in accordance with its terms, and any instrument or agreement required hereunder, when executed and delivered, will be similarly legal, valid, binding and enforceable subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

7.4 No Conflicts.

This Agreement does not conflict with any law, agreement, or obligation by which the Borrower is bound, except where such conflict could not reasonably be expected to result in a Material Adverse Effect.

7.5 Financial Information.

All financial and other information that has been or will be supplied to the Bank fairly presents the Borrower's financial condition on a consolidated basis except that prior to the Closing date all such information relating to the Subsidiary Borrowers has been supplied on a consolidating basis. All pro forma or projected financial statements that have been or will be supplied to the Bank on behalf of the Borrower will be or has been prepared in good faith based on reasonable assumptions. Since the date of the most recent financial statements of Borrower provided to the Bank, there has been no Material Adverse Effect in the consolidated business condition (financial or otherwise), operations or properties of each of the Company and the Subsidiary Borrowers.

7.6 Lawsuits.

There is no lawsuit, tax claim or other dispute pending or threatened against the Borrower for which there is a reasonable probability of an adverse result which would be expected to have a Material Adverse Effect.

7.7 Collateral.

All Collateral required in this Agreement is owned by the grantor of the security interest free of any title defects or any liens or interests of others, except those which have been approved by the Bank in writing or permitted under Section 8.7.

7.8 Use of Proceeds.

The proceeds of the Term Loan shall be used by the Company to acquire all of the ownership interests in Subsidiary Borrower Danya International, LLC. Up to $5,000,000.00 from the proceeds of the Revolving Line of Credit Loan may also be used to fund the acquisition of the

Subsidiary Borrower Danya International, LLC, and the remainder shall be used for general working capital purposes.

7.9 Permits, Franchises.

The Borrower possesses all material permits, memberships, franchises, contracts and licenses required and all material trademark rights, trade name rights, patent rights, copyrights, and fictitious name rights necessary to enable it to conduct the business in which it is now engaged.

7.10 Other Obligations.

The Borrower is not in default on any Funded Debt having a principal balance of $100,000.00 or more.

7.11 Tax Matters.

As of the Closing Date, the Borrower has no knowledge of any pending assessments or adjustments of its income tax for any year and all material taxes due have been paid, except as have been disclosed in writing to the Bank.

7.12 No Event of Default.

There is no Event of Default under this Agreement.

7.13 Margin Regulations, Public Holding Company.

(a) Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of Borrower, any Person Controlling Borrower, or any Subsidiary is required to be registered as an "investment company" under the Investment Company Act of 1940.

7.14 Subsidiaries, Equity Investments.

Schedule 7.14 hereto contains an accurate list of all Subsidiaries of the Company as of the date of this Agreement, setting forth their respective jurisdictions of incorporation or organization and the percentage of their respective Capital Stock owned by the Company or other Subsidiaries. All of the issued and outstanding shares of Capital Stock of such Subsidiaries held by the Company have been duly authorized and issued and are fully paid and non-assessable. As of the Closing Date, Borrower has no equity investments in any other corporation or entity other than those specifically disclosed on Schedule 8.7.

7.15 Compliance with Laws.

The Borrower is in compliance with (a) all applicable laws (including without limitation all environmental laws and all federal and state banking statutes) and all rules, regulations (including without limitation all federal and state banking regulations) and orders of any governmental authority, and (b) all indentures, agreements or other instruments binding upon it or its properties, in each case except where non-compliance, either singly or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

7.16 OFAC.

The Borrower (i) is not a person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) does not engage in any dealings or transactions prohibited by Section 2 of such executive order, and is not otherwise associated with any such person in any manner violative of Section 2, or (iii) is not a person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

7.17 No Material Adverse Change

There has occurred no event, condition or other change since September 30, 2015 which has had, or which could reasonably be expected to have, a Material Adverse Effect.

7.18 Patriot Act and Corrupt Practices Act.

The Borrower is in compliance, in all material respects, with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto and (ii) the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act of 2001). No part of the proceeds of the Obligations will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

8. COVENANTS

The Borrower agrees so long as credit is available under this Agreement and until the Bank is repaid in full under the Revolving Line of Credit Loan and the Term Loan and all Letters of Credit have expired (other than in respect of indemnification obligations that survive termination of this Agreement):

8.1 Financial Information.

To provide the following financial information and statements in form and content reasonably acceptable to the Bank, and such additional information as may be reasonably requested by the Bank from time to time:

(a) Within ninety (90) days of the fiscal year end of Company, true and complete copies of the annual financial statements of Company, true and complete copies of its balance sheet, income statement and statement of cash flows for such fiscal year. Each such financial statement shall (i) be prepared in accordance with GAAP consistently applied, (ii) be certified by an authorized financial officer of Company. The statements shall be audited (with an opinion satisfactory to Bank) by a certified public accountant. The statements shall be prepared on a consolidated basis fairly showing the financial condition of Borrower and its Subsidiaries.

(b) Within forty-five (45) days of the end of each fiscal quarter of Company (including the last quarter in each fiscal year), true and complete copies of its unaudited balance sheet, income statement and statement of cash flows for such quarter and fiscal year to date period. Each such quarterly report shall (i) be prepared in accordance with GAAP consistently applied (except for the omission of footnotes and subject to year-end adjustment) (ii) be certified by its chief financial officer, and (iii) show the comparison to the same period for the preceding year. The statements may be internally prepared. The statements shall be prepared on a consolidated and consolidating basis fairly showing the financial condition of Company and its Subsidiaries.

(c) Within thirty (30) days of the end of each month, true and complete copies of the Company's unaudited balance sheet, income statement. Each such monthly report shall (i) be prepared in accordance with GAAP consistently applied (except for the omission of footnotes and subject to year-end adjustment) (ii) be certified by an authorized financial officer. The statements may be internally prepared. The statements shall be prepared on a consolidated and consolidating basis fairly showing the financial condition of Company and its Subsidiaries. The monthly financials will not be available for the first 2 months after the fiscal year ends while the audited financial is being prepared.

(d) Together with the financial statements required under Section 8.1(a) and (b) for the last day of each fiscal quarter of the Company, a compliance certificate of the Company, signed by an authorized financial officer and setting forth (i) the information and computations (in sufficient detail) to establish that the Company is in compliance with the financial covenants set forth in Section 8 at the end of the period covered by the financial statements then being furnished and (ii) whether there existed as of the date of such financial statements and whether there exists as of the date of the certificate, any Event of Default under this Agreement and, if any such Event of Default exists, specifying the nature thereof and the action the Company is taking and proposes to take with respect thereto. The compliance certificate for the last fiscal quarter may be submitted within one hundred and twenty (120) days of the end of such quarter.

(e) Within fifteen (15) days of each month end, the Borrowing Base Certificate.

(f) Within fifteen (15) days of each month end, an aging report of the Borrower's accounts receivable.

(g) Within fifteen (15) days of each month end, an aging report of the Borrower's accounts payable.

(h) Together with the financial statements required under Section 8.1(a) and (b) for the last day of each fiscal quarter of the Borrower, a contract backlog report shall be provided to the Bank of the form attached hereto as Exhibit C. The backlog report shall include the following information: contract number, agency, contracting officer, contract type, remaining funded and unfunded portions and estimated profitability.

(i) Such other information (including non-financial information) as the Bank may from time to time reasonably request.

8.2 Fixed Charge Coverage Ratio.

The Company shall maintain on a consolidated basis a Fixed Charge Coverage Ratio of at least 1.35:1.0 commencing with the quarter ending June 30, 2016 and for all periods thereafter. This ratio will be calculated as of the end of each fiscal quarter using the results of the twelve-month period ending with that reporting period. The current portion of long-term debt and the current portion of capitalized lease obligations will be measured as of the last day of the calculation period.

8.3 Funded Indebtedness to EBITDA.

The Company shall maintain on a consolidated basis a ratio of Funded Indebtedness to Adjusted EBITDA not exceeding the ratios indicated for each period specified below:

Period	**Ratios**
At Closing	2.99:1.0
The period ending June 30, 2016 and through September 30, 2016	3.5:1.0
The period ending December 31, 2016 and through September 30, 2017	3.25:1.0
The period ending September 30, 2017 and through June 30, 2018	3.00:1.0
The period ending September 30, 2018	2:50:1.0

8.4 Other Indebtedness

Not to have outstanding or incur any direct or contingent Indebtedness (other than those previously disclosed in writing to the Bank, or become liable for the liabilities of others, without the Bank's written consent. This does not prohibit:

(a) Acquiring goods, supplies, or merchandise on normal trade credit.

(b) Endorsing negotiable instruments received in the usual course of business.

(c) Obtaining surety bonds in the usual course of business.

(d) Liabilities, lines of credit and leases in existence on the date of this Agreement disclosed on Schedule 8.4.

(e) Indebtedness (including capital lease obligations) incurred to finance or refinance the cost of purchasing, reconditioning or improving an assets.

(f) Other Funded Indebtedness not to exceed in the aggregate $100,000.00 at any one time.

(g) Any Swap Contract which is entered into for purposes of hedging interest rate risk related to the Indebtedness.

(h) Normal accruals in the ordinary course of business for liabilities not yet due and payable, or which Borrower is contesting in good faith.

(i) Customer deposits and other unsecured current liabilities not the result of borrowing and not evidenced by any note or other evidence of Indebtedness.

(j) Indebtedness arising under the Wynnefield Subordinated Notes which Indebtedness must be subordinated to payments of the Loans, provided, however, that interest and principal due under the Wynnefield Subordinated Notes may be paid in full (i) prior to maturity in the event the Company engages in equity financing which results in the Company receiving funds in an amount sufficient to pay all principal and outstanding interest due and owing under the Wynnefield Subordinated Notes and (ii) in accordance with the terms of the Subordination Agreement.

8.5 Other Liens.

Not to create, assume, or allow any security interest or lien (including judicial liens) on property the Borrowers or any Subsidiary of the Borrowers now or later own, except for Permitted Liens.

8.6 Maintenance of Assets.

(a) Not to sell, assign, lease, transfer or otherwise dispose of any part of the Borrower's business or the Borrower's assets except in the ordinary course of business.

(b) Not to sell, assign, lease, transfer or otherwise dispose of any assets for less than fair market value, or enter into any agreement to do so other than in the ordinary course of business.

(c) Not to enter into any sale and leaseback agreement covering any of its fixed assets.

(d) To maintain and preserve all material rights, privileges, and franchises the Borrower now has, other than those which are not necessary for the conduct of the Borrower's business or which as to which the failure to so maintain and preserve would not reasonably be expected to result in a Material Adverse Effect.

Notwithstanding anything to the contrary in this Section 8.4, the Company shall be permitted to complete the dissolution of those Subsidiaries listed as Inactive Subsidiaries on Schedule 7.14.

8.7 Investments.

Except with respect to the acquisition of Danya International, LLC by the Company, not to have any existing, or make any new, Investments in any individual or entity, or make any capital contributions or other transfers of assets to any individual or entity, or to make any Acquisition, except for:

(a) Existing Investments as shown on Schedule 8.7.

(b) Investments in joint ventures engaged in businesses that are the same as the business of the Borrower or are reasonably related or complimentary thereto in an amount not to exceed in the aggregate $100,000.00;

(c) Investments in any of the following:

(i) certificates of deposit;

(ii) U.S. treasury bills and other obligations of the federal government;

(iii) readily marketable securities (including commercial paper, but excluding restricted stock and stock subject to the provisions of Rule 144 of the Securities and Exchange Commission).

(d) Obligations under Swap Contracts.

(e) Investments permitted by any other section hereunder.

(f) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customer and suppliers arising in the ordinary course of business.

(g) Receivables owing to the Borrower created or acquired in the ordinary course of business.

(h) Compensation arrangements, including, without limitation, stock option grants, bonus plans and individual bonuses, to officers, directors, employees and consultants by Borrower in the ordinary course of business.

8.8 Loans.

Not to make any loans, advances or other extensions of credit to any individual or entity, except for:

(a) Existing extensions of credit as shown on Schedule 8.8

(b) Extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods or services in the ordinary course of business to non-affiliated entities.

(c) Advances to employees provided that do not exceed $25,000.00 in the aggregate at any one time.

(d) Advances for travel and other expenses incurred in the ordinary course of business.

(e) Counterparty risk arising under Swap Contracts to the extent allowed elsewhere under this Agreement.

8.9 Additional Negative Covenants.

Not to, without the Bank's written consent:

(a) Enter into any consolidation, merger, or other combination, unless Borrower is the surviving entity.

(b) Engage in any business activities substantially different from the Borrower's present business and other businesses reasonably related or incidental thereto or which are reasonably extensions thereof.

(c) Liquidate or dissolve the Borrower's business.

(d) Voluntarily suspend its business for more than seven (7) days.

8.10 Notices to Bank.

To promptly notify the Bank in writing of:

(a) Any threatened in writing, actual or pending litigation against the Borrower (not covered by insurance) claiming damages in excess of $100,000.00.

(b) Any substantial dispute between any Governmental Authority and the Borrower which could reasonably be expected to have a Material Adverse Effect.

(c) Any Event of Default or Default under this Agreement.

(d) Occurrence of any Material Adverse Effect.

(e) Any change in the Borrower's name, legal structure, place of business, or chief executive office if the Borrower has more than one place of business.

(f) Any actual contingent liabilities of the Borrower not otherwise permitted hereunder, and any such contingent liabilities which are reasonably foreseeable, where such liabilities are in excess of $100,000.00 in the aggregate.

(g) Any change in the current CEO and CFO of the Company.

(h) Each dissolution of an Inactive Subsidiary of Borrower within three (3) Business Days thereof.

8.11 Insurance.

To maintain insurance with carriers reasonably satisfactory to the Bank and covering such risks and in such amounts as is usual for the Borrower's business. Each policy shall provide for at least thirty (30) days prior notice to the Bank of any cancellation thereof ten (10) days in the case of non-payment).

8.12 Compliance with Laws.

To comply in all material respects with the laws (including any fictitious or trade name statute and environmental laws), regulations, and orders of any government body with authority over the Borrower's business except where failure to comply would not reasonably be expected to have a Material Adverse Effect.

8.13 Books and Records.

To maintain adequate books and records in accordance with GAAP and practices applied on a basis consistent with preceding years.

8.14 Field Audits.

To allow the Bank and its agents to visit and inspect any of the Borrower's properties, to examine and make abstracts or copies from any of its books and records, to conduct a collateral audit and analysis of its inventories and accounts receivable and to discuss its affairs, finances and accounts with its officers, employees and, in the presence of an officer of Borrower, all at such reasonable times and as often as may reasonably be desired, all at Borrower’s expense provided that the Borrower shall not be obligated to reimburse the Bank for more than two such audits and analyses during any twelve month period.

8.15 Perfection of Liens.

To help the Bank perfect and protect its security interests and liens, and reimburse it for related costs it incurs to protect its security interests and liens.

8.16 ERISA Plans.

(a) Each Plan (other than a multiemployer plan) is in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law. Each Plan has received a favorable determination letter from the IRS, may rely on a favorable opinion letter for a prototype or volume submitter plan, or the time for obtaining such a letter has not expired, and to the best knowledge of the Borrower, nothing has occurred which would cause the loss of such tax-qualification. The Borrower has fulfilled its obligations, if any, under the minimum funding standards of ERISA and the Code with respect to each Plan, and has not incurred any liability with respect to any Plan.

(b) There are no claims, lawsuits or actions (including by any Governmental Authority), and there has been no prohibited transaction or violation of the fiduciary responsibility rules, with respect to any Plan which has resulted or would reasonably be expected to result in a Material Adverse Effect.

(c) With respect to any Plan subject to Title IV of ERISA:

(i) No reportable event has occurred under Section 4043(c) of ERISA for which the PBGC requires 30-day notice.

(ii) No action by the Borrower or any ERISA Affiliate to terminate any Plan or to withdraw from any Plan that is a multiemployer plan has been taken and no notice of intent to terminate a Plan has been filed under Section 4041 of ERISA.

(iii) No termination proceeding has been commenced with respect to a Plan under Section 4042 of ERISA, and, to the Borrower's knowledge, no event has occurred or condition exists which might constitute grounds for the commencement of such a proceeding.

(d) The following terms have the meanings indicated for purposes of this Agreement:

(i) "Code" means the Internal Revenue Code of 1986, as amended from time to time.

(ii) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

(iii) "ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code.

(iv) "PBGC" means the Pension Benefit Guaranty Corporation.

(v) "Plan" means a pension, profit-sharing, or stock bonus plan intended to qualify under Section 401(a) of the Code, maintained or contributed to by the Borrower or any ERISA Affiliate, including any multiemployer plan within the meaning of Section 4001(a)(3) of ERISA.

8.17 Maintenance of Properties.

The Borrower will, and will cause each of its Subsidiaries to, (i) keep and maintain all property material to the conduct of its business in good working order and condition, subject to ordinary wear and tear, except where the failure to do so, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

8.18 Assignment of Claims Act.

The Borrower hereby covenants and agrees that the Borrower will promptly, upon request by the Bank, comply with any and all of the requirements of the Assignment of Claims Act (Title 31 Section 3727 and Title 41 Section 15 of the United States Code) attached hereto as Exhibit D, where such statutes are applicable to any applicable accounts receivable Collateral, and shall take all such other action as may be necessary to facilitate the direct assignment to the Bank of the payments due or to become due under such accounts receivable Collateral, and such further action as may be necessary to facilitate the creation and perfection of the Bank's security interest in such payments.

8.19 Bank as Principal Depository.

To maintain the Bank as its principal depository bank, including for the maintenance of business, cash management, operating and administrative deposit accounts.

8.20 Collections Account

All proceeds of Borrower's accounts receivables shall be deposited into a Collections Account, and all automatic sweep arrangements of the Collections Account shall be maintained until this Agreement is terminated. Borrower agrees to maintain this account as a deposit-only account and as one on which checks are not written. Funds from this account will swept daily into an Operating Account maintained at the Bank (subject to a springing deposit account control agreement).

8.21 Taxes and Assessments.

The Borrower shall duly pay and discharge, and shall cause each Subsidiary to duly pay and discharge, all taxes, rates, assessments, fees, and governmental charges upon or against it or its assets, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that (a) the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefore; or (b) such unpaid taxes, rates, assessments, fees and governmental charges do not exceed $25,000.00 in the aggregate at any one time.

8.22 Conduct of Business.

Except for the Inactive Subsidiaries shown on Schedule 7.14, the Company will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same fields of enterprise as it is presently conducted or fields related thereto or extensions thereof (taking the Company and its Subsidiaries on a consolidated basis) and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted, unless the failure to do so could not reasonably be expected to have a Material Adverse Effect. Borrower shall cause the Inactive Subsidiaries to be dissolved no later than one hundred and eighty (180) days from the Closing Date, provided, however, that Borrower may request the Bank to consent to an additional 60-day extension to complete the dissolution of all remaining Inactive Subsidiaries which consent shall not be unreasonably withheld."

8.23 No Consumer Purpose.

Not to use this loan for personal, family, or household purposes.

9. DEFAULT AND REMEDIES

If any of the following events of default occurs and is continuing, each an "Event of Default," the Bank may do one or more of the following: declare the Borrower in default, stop making any additional credit available to the Borrower, stop issuing Letters of Credit and require the Borrower to repay its entire debt immediately and without prior notice. If an event which, with notice or the passage of time, will constitute an Event of Default has occurred and is continuing, the Bank has no obligation to make advances, issue new Letters of Credit or extend additional credit under this Agreement. In addition, if any Event of Default occurs and is continuing, the Bank shall have all rights, powers and remedies available under any instruments and agreements required by or executed in connection with this Agreement, as well as all rights and remedies available at law or in equity and all principal amounts due and owing to Bank by Borrower shall at Bank's option, accrue interest at the Default Rate. If an Event of Default occurs under the paragraph entitled "Bankruptcy," below, with respect to the Borrower, then the entire debt outstanding under this Agreement will automatically be due immediately.

9.1 Failure to Pay.

The Borrower fails to make a payment of principal under this Agreement when due, or fails to make a payment of interest, any fee or other sum under this Agreement within ten (10) days after the date when due.

9.2 Other Bank Agreements.

The Borrower or any Obligor shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those referred to in Section 9.1 above), and such failure shall remain

unremedied for thirty (30) days after the earlier of (x) any officer of the Borrower becomes aware of such failure, or (y) notice thereof shall have been given to the Borrower by the Bank.

9.3 Cross-default.

Any default occurs under any agreement in connection with any Funded Debt of Borrower having a principal balance of $250,000.00 or more if the default consists of failing to make a payment when due or gives the other lender the right to accelerate the obligation and it is not cured or waived within thirty (30) days.

9.4 False Information.

Any representation or warranty made or deemed made by or on behalf of the Borrower in or in connection with this Agreement or any other Loan Document and any amendments or modifications hereof or waivers hereunder, or in any certificate, report, financial statement or other document submitted to the Bank by the Borrower or any representative of the Borrower pursuant to or in connection with this Agreement shall prove to be incorrect in any material respect when made or deemed made.

9.5 Bankruptcy.

The Borrower or any Obligor, files a bankruptcy petition, an involuntary bankruptcy petition is filed against any of the foregoing parties and is not dismissed within sixty (60) days, or the Borrower or any Obligor makes a general assignment for the benefit of creditors.

9.6 Receivers.

A receiver or similar official is appointed for a substantial portion of the Borrower's or any Obligor's business, or the business is terminated, or, if any Obligor is anything other than a natural person, such Obligor is liquidated or dissolved.

9.7 Judgments.

Any final judgments or arbitration awards are entered against the Borrower or any of its Subsidiaries, in an amount of $250,000.00 or more that is not covered by insurance and that remains outstanding for more than thirty (30) days without being satisfied, stayed or bonded.

9.8 Corporate Existence.

The Borrower shall dissolve or otherwise cease to exist.

9.9 Default under Related Documents.

Any default occurs under any Loan Document and such failure shall remain unremedied for thirty (30) days after the earlier of (i) any officer of Borrower becomes aware of such failure, or (ii) notice thereof shall have been given to the Borrower by Bank.

9.10 Security Interest.

Except as otherwise permitted by the terms of the Loan Agreement, or except to the extent the Bank agrees or elects not to perfect its security interest, should the Bank cease to have an enforceable first priority Lien on any property which is subject to a security interest created by any Loan Document.

9.11 ERISA Plans.

Any one or more of the following events occurs with respect to a Plan of the Borrower subject to Title IV of ERISA, provided such event or events would reasonably be expected, in the judgment of the Bank, to subject the Borrower to any tax, penalty or liability (or any combination of the foregoing) which, in the aggregate, could have a Material Adverse Effect:

(a) A reportable event shall occur under Section 4043(c) of ERISA with respect to a Plan for which the PBGC has not waived the 30-day notice requirement.

(b) Any Plan termination (or commencement of proceedings to terminate a Plan) or the full or partial withdrawal from a Plan that is a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA by the Borrower or any ERISA Affiliate.

9.12 Breach of Borrowing Base.

If any of the credit covered by this Agreement is subject to an agreement to maintain a borrowing base, the terms of such agreement are breached and the Borrower fails to cure such breach by the expiration of any applicable cure period.

9.13 Invalidity of Loan Documents

In each case, other than as expressly permitted hereunder or thereunder or due to satisfaction in full of the Loan, any Loan Document or any provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of the Loan, ceases to be in full force and effect; or Borrower contests in any manner the validity or enforceability of any Loan Document or any provision thereof; Borrower denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document or any provision thereof.

9.14 Change in Control

The occurrence of a Change of Control.

9.15 Suspension or Debarment

Borrower is suspended or debarred by the Suspension & Debarment Division of the U.S. General Services Administration, U.S. Government, or otherwise prevented from renewing, soliciting or otherwise conducting business with the Federal government directly or as an agent or representative of other contractors or of participants in Federal assistance programs.

10. ENFORCING THIS AGREEMENT; MISCELLANEOUS

10.1 GAAP.

Except as otherwise stated in this Agreement, all financial information provided to the Bank and all financial covenants will be made under GAAP, consistently applied.

10.2 Georgia Law.

This Agreement is governed by the laws of the State of Georgia, except for conflict of laws provisions.

10.3 Successors and Assigns.

This Agreement is binding on the Borrower's and the Bank's successors and assignees. The Borrower agrees that it may not assign this Agreement without the Bank's prior consent. The Bank may, with the Borrower's consent so long as there exists no Event of Default (such consent not to be unreasonably withheld), sell participations in or assign this loan, and may exchange information about the Borrower (including, without limitation, any information regarding any hazardous substances) with actual or potential participants or assignees. If a participation is sold or the loan is assigned, the purchaser will have the right of set-off against the Borrower.

10.4 Right of Setoff.

In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, the Bank shall have the right, at any time or from time to time upon the occurrence and during the continuance of an Event of Default, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, to set off and apply against all deposits (general or special, time or demand, provisional or final) of the Borrower at any time held or other obligations at any time owing by the Bank to or for the credit or the account of the Borrower against any Indebtedness owed by Borrower to Bank, irrespective of whether the Bank shall have made demand hereunder and although such Indebtedness may be unmatured. The Bank agrees promptly to notify the Borrower after any such set-off and any application made by the Bank; provided, that the failure to give such notice shall not affect the validity of such set-off and application.

10.5 Severability; Waivers.

If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

10.6 Attorneys' Fees.

The Borrower shall reimburse the Bank for any reasonable costs and attorneys' fees actually incurred by the Bank in connection with the enforcement or preservation of any rights or remedies

under this Agreement and any other documents executed in connection with this Agreement, and in connection with any amendment, waiver, "workout" or restructuring under this Agreement. In the event of a lawsuit or arbitration proceeding, the prevailing party is entitled to recover costs and reasonable attorneys' fees incurred in connection with the lawsuit or arbitration proceeding, as determined by the court or arbitrator. In the event that any case is commenced by or against the Borrower under the Bankruptcy Code (Title 11, United States Code) or any similar or successor statute, the Bank is entitled to recover costs and reasonable attorneys' fees incurred by the Bank related to the preservation, protection, or enforcement of any rights of the Bank in such a case.

10.7 One Agreement.

This Agreement and any related security or other agreements required by this Agreement, collectively:

(a) represent the sum of the understandings and agreements between the Bank and the Borrower concerning this credit;

(b) replace any prior oral or written agreements between the Bank and the Borrower concerning this credit; and

(c) are intended by the Bank and the Borrower as the final, complete and exclusive statement of the terms agreed to by them.

In the event of any conflict between this Agreement and any other agreements required by this Agreement, this Agreement will prevail. Any reference in any related document to a "promissory note" or a "note" executed by the Borrower and dated as of the date of this Agreement shall be deemed to refer to this Agreement, as now in effect or as hereafter amended, renewed, or restated.

10.8 Indemnification.

The Borrower will indemnify and hold the Bank harmless from any loss, liability, damages, judgments, and costs of any kind relating to or arising directly or indirectly out of (a) this Agreement or any document required hereunder, (b) any credit extended or committed by the Bank to the Borrower hereunder, and (c) any litigation or proceeding related to or arising out of this Agreement, any such document, or any such credit but excluding any loss, liability, damages, judgment and costs arising from the gross negligence or willful misconduct of Bank. This indemnity includes but is not limited to attorneys' fees actually incurred. This indemnity extends to the Bank, its parent, subsidiaries and all of their directors, officers, employees, agents, successors, attorneys, and assigns. This indemnity will survive repayment of the Borrower's obligations to the Bank. All sums due to the Bank hereunder shall be obligations of the Borrower, due and payable immediately upon demand.

10.9 Notices.

Unless otherwise provided in this Agreement or in another agreement between the Bank and the Borrower, all notices required under this Agreement shall be personally delivered or sent by first class mail, postage prepaid, or by overnight courier, to the addresses on the signature page of this Agreement, or sent by facsimile to the fax numbers listed on the signature page, or to such other

addresses as the Bank and the Borrower may specify from time to time in writing. Notices and other communications shall be effective (i) if mailed, upon the earlier of receipt or five (5) days after deposit in the U.S. mail, first class, postage prepaid, (ii) if telecopied, when transmitted, or (iii) if hand-delivered, by courier or otherwise (including telegram, lettergram or mailgram), when delivered.

10.10 Further Assurances

At any time, and from time to time, upon request by Bank, Borrower will, at Borrower's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Loan Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates and other documents as may, in the opinion of Bank, be necessary or desirable in order to complete, perfect or continue and preserve the lien on the Collateral. Upon any failure by Borrower to do so, Bank may make, execute and record any and all such instruments, certificates and other documents for and in the name of Borrower, all at the sole expense of Borrower, and Borrower hereby appoints Bank the agent and attorney-in-fact of Borrower to do so, this appointment being coupled with an interest and being irrevocable. Without limitation of the foregoing, Borrower irrevocably authorizes Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements deemed necessary or desirable by Bank to establish or maintain the validity, perfection and priority of the security interests granted in the Mortgage, and Borrower ratifies any such filings made by Bank prior to the date hereof. In addition, at any time, and from time to time, upon request by Bank, Borrower will, at Borrower's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of Bank, be necessary or desirable in order to verify Borrower's identity and background in a manner satisfactory to Bank.

10.11 Headings.

Article and paragraph headings are for reference only and shall not affect the interpretation or meaning of any provisions of this Agreement.

10.12 Patriot Act Notice.

Bank hereby notifies the Borrower that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (the "Act"), Bank is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow Bank, as applicable, to identify the Borrower in accordance with the Act.

10.13 Counterparts.

This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

[Signatures appear on the next page]

This Agreement is executed as of the date stated at the top of the first page.

Fifth Third Bank

By:
Name:
Title:

Fifth Third Bank
3344 Peachtree Road, NE Suite 800
Atlanta, GA 30126

DLH Holdings Corp.

By: /s/ Kathryn JohnBull
Name: Kathryn JohnBull
Title: Chief Financial Officer

DLH Holdings Corp.
3565 Piedmont Road, NE
Bldg. 3, Suite 700
Atlanta, GA 30305

DLH Solutions, Inc.

By: /s/ Kathryn JohnBull
Name: Kathryn JohnBull
Title: Chief Financial Officer

3565 Piedmont Road, NE
Bldg. 3, Suite 700
Atlanta, GA 30305

Danya International, LLC

By: /s/ Kathryn JohnBull
Name: Kathryn JohnBull
Title: Chief Financial Officer

Danya International, LLC
8737 Colesville Road
Suite 1100
Silver Spring, MD 20910

Exhibit A

Borrowing Base Agreement

BORROWING BASE AGREEMENT

This Borrowing Base Agreement (this "Agreement") dated as of May 2, 2016, is among Fifth Third Bank, an Ohio banking corporation (the "Bank") and DLH Holdings Corp., a New Jersey corporation (the "Company"), DLH Solutions, Inc., a Georgia corporation, Danya International, LLC, a Maryland limited liability company (the "Subsidiary Borrowers" together with the Company, the "Borrower").

1. Borrowing Base. The aggregate outstanding principal amount of all amounts from time to time advanced under the Revolving Line of Credit Loan pursuant to the terms of Section 2.4 of the Loan Agreement dated May 2, 2016 between Bank and Borrower (as amended, restated or modified, the "Loan Agreement") shall not exceed the Maximum Amount. Any defined terms used but not otherwise defined herein shall have such meaning ascribed to such terms in the Loan Agreement. This Agreement is subject to the terms and conditions set forth in the Loan Agreement.

"Maximum Amount" shall mean the lesser of $10,000,000.00 or the Borrowing Base. The "Borrowing Base" at any time, shall be equal to the sum of (i) 90% of Prime Government Receivables; (ii) 80% of Commercial Accounts Receivable, and (iii) 50% of Unbilled Receivables, which are to be billed within thirty (30) days less such availability reserves applicable to the Borrower as the Lender deems appropriate.

"Commercial Receivables" means Eligible Account Receivables other than Prime Government Receivables or Unbilled Receivables which have resulted from an amount due owing from account debtors.

"Prime Government Receivables" means Eligible Accounts Receivables which have resulted from an amount due and owing directly from the U.S. Government or any department or agency thereof.

"Unbilled Prime Government Receivables" means Eligible Prime Government Accounts Receivables, notwithstanding their unbilled status which have resulted from unbilled costs actually incurred and arising out of work actually performed by the Borrower under written contracts with the U.S. Government which (i) have been accepted by the U.S. Government and (ii) are properly billable to the U.S. Government in accordance with the applicable contract

"Eligible Accounts Receivable" shall mean all Accounts Receivable of Borrower and any of its Subsidiaries which have been created in the ordinary course of Borrower's or such Subsidiary's business and upon which Borrower's or such Subsidiary's right to receive payment is

absolute and not contingent upon the fulfillment of any condition whatsoever, and shall not include:

- any account which remains unpaid more than ninety (90) days past due from the date of the invoice or sixty (60) days from the stated due date or which has been written off the books of the Borrower or otherwise designated as uncollectible by Borrower (it being understood that, in determining the aggregate amount from the same Customer that is unpaid hereunder, there shall be excluded the amount of any net credit balances relating to accounts due from such Customer which are unpaid more than sixty (60) after the stated due date);

- any account which represents an obligation of a Customer which is not a resident of the United States or Canada unless such account is supported by a letter of credit in form and substance reasonably acceptable to Bank;

- any account with respect to which there is another contra account but only to the extent of the amount owed by Borrower to the Customer;

- any account which represents an obligation of any local, state or federal governmental agency or entity, unless Borrower is not prohibited from assigning the account and is able to does assign its right to payment of such account to the Bank, in a manner reasonably satisfactory to Bank, so as to comply with the Assignment of Claims Act of 1940, as amended;

- any account which arises from the sale to an account debtor on a guaranteed sale, sale-or-return, sale-on-approval, consignment, or any other repurchase or return basis but such accounts shall only be excluded from Eligible Accounts Receivable only during the length of time of any such repurchase or return obligations;

- any account which arises from the sale to a Customer on a cash-on-delivery basis;

- any account for which there exists a right of set off, defense or discount, except regular discounts allowed in the ordinary course of business to promote prompt payment and for which no defense or counterclaim has been asserted, but such accounts shall only be excluded from Eligible Accounts Receivable to the extent of such asserted right of setoff, defense or discount;

- any account which arises from the sale or lease to or performance of services for, or represents an obligation of, an employee, Affiliate, parent or Subsidiary of Borrower;

- any account which represents an obligation of a Customer of Borrower when 25% or more of Borrower's accounts from such Customer are not eligible under the first exclusions paragraph of this definition;

- any account on which the Bank is not or does not continue to be, in the Bank's reasonable discretion exercised in good faith (after providing Borrower with not less than ten (10) days prior written notice), satisfied with the credit standing of the Customer of Borrower in relation to the amount of credit extended, to the extent such Account exceeds any credit limit established by Bank, in its reasonable credit judgment, as applicable;

- any account for which the goods giving rise to such account have not been shipped to the applicable Customer or for which the services giving rise to such account have not been performed by the Borrower or if such account was invoiced more than once for the same goods (other than those accounts which result from bill and hold sales).

"Customers" shall mean the account debtors obligated on any of the Accounts Receivables.

"Accounts Receivables" shall mean all of the Borrower's accounts, instruments, contract rights, chattel paper, document, and general intangibles arising from the sale of goods and/or the rendition of services by the Borrower in the ordinary course of business, and the proceeds thereof and all security and guaranties therefor, whether now existing or hereafter created, and all returned, reclaimed or repossessed goods, and all books and records pertaining to the foregoing.

2. Advances. The Bank shall be under no obligation to make any Advance under the Revolving Line of Credit Loan to Borrower in excess of the limitations stated above.

[Signatures begin on the next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the day and year first written above.

BORROWER:

DLH Holdings Corp.

By:/s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull [CORPORATE SEAL]

Title: Chief Financial Officer

DLH Solutions, Inc.

By:/s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull [CORPORATE SEAL]

Title: Chief Financial Officer

Danya International, LLC

By:/s/ Kathryn M. JohnBull

Name: Kathryn M. JohnBull [CORPORATE SEAL]

Title: Chief Financial Officer

BANK:

Fifth Third Bank

By:/s/ Anne Cross

Name: Anne Cross

Title: Vice President

Exhibit B

Permitted Liens

Exhibit C

Backlog Report

FIFTH THIRD BANK

BACKLOG REPORT

Company Name _____

Backlog Report as of _____

Government Contract Number	Agency Name & Address	Type (CPFF; FFP, 8(a) etc.)	Description	Original Contract Date	Final/ Renewal Date	Contract Value	Amount Funded	Billings to Date	Funded Remaining (A)	Unfunded Remaining (B)	Total Backlog (Sum of A & B)

Please attach copies of first two pages of each contract listed.
After initial submission, attach only copies of new or modified contracts, or options exercised.

{N0109914 }

Exhibit D

Assignment of Claims Act

FIFTH THIRD BANK

Instrument of Assignment of Payments Under Government Contracts

Know all men by these presents:

That _____ ("Assignor")

(Check one)

☐ a corporation organized and existing under the laws of _____
☐ a partnership existing under the laws of _____
☐ a limited liability co. organized and existing under the laws of _____
☐ an individual.

and having its principal place of business at _____

_____

in consideration of financial accommodations provided or to be provided, and for other good and valuable consideration, receipt whereof is hereby acknowledged, and pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. § 3727, 41 U.S.C. § 6305), does hereby assign, set over, transfer, pledge and convey to FIFTH THIRD BANK, ("Bank") all of Assignor's right, title and interest which Assignor now has or may have in and to all moneys due or to become due from the United States of America or from any agency or department thereof under:

Contract#	Date	Agency	Description

and does hereby authorize the Bank to receive and collect any amount or amounts due or to become due thereunder, and to receive and collect the same as fully and to the same extent as if said moneys were its own funds and to apply said money first to repayment of any loan or loans now or hereafter existing made by the Bank to the Assignor and to the interest thereon, and to any other indebtedness of the Assignor to the Bank now existing or which may hereafter be incurred.

In Witness Whereof, the undersigned has caused this Instrument of Assignment to be duly executed and delivered on its behalf, this ____ day of _____, _____.

_____
Assignor
By:_____(Seal)

_____
Print Name and Title

_____
Address

If Assignor is a corporation: affix corporate seal here or attach Certified Board Resolution authorizing assignment. Also, the Secretary or Assistant Secretary must attest to this document.

_____
Signature of Secretary

If Assignor is a partnership: this document must be executed by a General Partner and notarized below.

I hereby certify that I am a General Partner of:
_____, a partnership

By:_____

If Assignor is a limited liability company: this document must be executed by an authorized signer of the company and notarized below.

I hereby certify that I am an authorized signer of:
_____, a limited liability company

By:_____

{N0109914 }

If Assignor is a partnership, a limited liability company or an individual: this document must be notarized.

State of _____, County/City of _____
SS:
The foregoing instrument was acknowledged before me this _____day of _____, 20___.

By:_____ (signature)
My commission expires_____(date)

FIFTH THIRD BANK

Notice of Assignment of U.S. Government Contracts

To: _____ **Date:** _____

_____

_____

_____

_____

This has a reference to Contract No. _____ **dated** _____

entered into between _____ (contractor name and address)

_____

_____

and _____ (government agency, name of office and addı

_____

_____

_____

for _____ (describe nature of the contract)

_____

Moneys due or to become due under the contract described above have been assigned to the undersigned under the provisions of the Assignment of Claims Act of 1940, as amended, 31 U.S.C. §3727, 41 U.S.C. §6305.

A true copy of the instrument of assignment executed by the contractor on _____ (date), is attached to the original notice.

Payments due or to become due under the contract should be made to the undersigned assignee.

Please return to the undersigned the three enclosed copies of this notice with appropriate notations showing the date and hour of receipt, and signed by the person acknowledging receipt on behalf of the addressee.

PAYMENT INSTRUCTIONS:

If by mail, please remit to:

_____

_____ (Bank)

_____

_____

If by ACH, please remit to:

_____ (Bank)

_____ (ACH Address)

_____ (ABA#)

_____ (Account #)

Very Truly yours,

FIFTH THIRD BANK (name of assignee) _____

_____

By: _____ (signature of signing officer)

Title: _____ (title of signing officer) _____ (telephone)

ACKNOWLEDGMENT

Receipt is acknowledged of the above notice and of a copy of the above mentioned instrument of assignment. They were received_____ (a.m.)(p.m.) on _____, 20_____.

{N0109914 }

_____(signature)
_____(title)
_____
on behalf of _____(name of addressee of this notice)

{N0109914 }

Schedule 1

EBITDA addbacks

Schedule 7.13

Other Equity Investments

None other than proposed purchase of 100% of membership interests of Danya International, LLC.

Schedule 7.14

Subsidiaries

Schedule 8.4

Existing Indebtedness

For DLH Holdings, Corp. and its Subsidiaries (excluding Danya International, LLC)

See attachments

Schedule 8.7

Existing Investments

Schedule 8.8

Existing Extensions of Credit

SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of the 2nd day of May, 2016 ("this Agreement"), by and between [DLH Holdings Corp.]/[DLH Solutions, Inc.]/[Danya International LLC] (the "Pledgor") and Fifth Third Bank ("Bank") is being executed in connection with the Loan Agreement, dated the same date, between Pledgor, Danya International, LLC, and DLH Solutions, Inc. and the Bank (the "Loan Agreement")

1. THE SECURITY. As security for any and all of the Indebtedness (as defined below) the Pledgor hereby assigns and grants to Bank a security interest in the following described property now owned or hereafter acquired by the Pledgor ("Collateral"):

(a) All accounts, contract rights, chattel paper, instruments, deposit accounts, letter of credit rights, payment intangibles and general intangibles, including all amounts due to the Pledgor from a factor; rights to payment of money from the Bank under any Swap (as defined in Paragraph 2 below); and all returned or repossessed goods which, on sale or lease, resulted in an account or chattel paper.

(b) All inventory, including all materials, work in process and finished goods.

(c) All of the Pledgor's deposit accounts with the Bank. The Collateral shall include any renewals or rollovers of the deposit accounts, any successor accounts, and any general intangibles arising therefrom or related thereto.

(d) All equipment, including vehicles, trailers and any equipment or goods for which certificates of title are issued.

(e) All instruments, notes, chattel paper, documents, certificates of deposit, of every type. The Collateral shall include all liens, security agreements, leases and other contracts securing or otherwise relating to the foregoing.

(f) All negotiable and nonnegotiable documents of title covering any Collateral.

(g) All accessions, attachments and other additions to the Collateral.

(h) All substitutes or replacements for any Collateral, all cash or non-cash proceeds, product, rents and profits of any Collateral, all income, benefits and property receivable on account of the Collateral, all rights under warranties and insurance contracts, letters of credit, guaranties or other supporting obligations covering the Collateral, and any causes of action relating to the Collateral.

(i) All commercial tort claims.

(j) All of the Pledgor's deposit accounts with the Bank. The Collateral shall include any renewals or rollovers of the deposit accounts, any successor accounts, and any general intangibles and choses in action arising therefrom or related thereto.

(k) All general intangibles. The Collateral shall include all good will connected with or symbolized by any of such general intangibles.

(l) All books and records pertaining to any Collateral, including but not limited to any computer-readable memory and any computer hardware or software necessary to process such memory ("Books and Records").

Notwithstanding the forgoing, the Collateral shall expressly exclude any contract, instrument or chattel paper (except for any account) in which Pledgor has any right, title or interest if and to the extent such contract, instrument or chattel paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of such Pledgor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such contract, instrument or chattel paper to enforce any remedy with respect thereto.

2. THE INDEBTEDNESS. The Collateral secures and will secure all Indebtedness of Pledgor, DLH Solutions, Inc.. and Danya International, LLC to the Bank. Each party obligated under any Indebtedness is referred to in this Agreement as a "Debtor." "Indebtedness" is used in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of the Debtor, now or hereafter existing, absolute or contingent, liquidated or unliquidated, determined or undetermined, voluntary or involuntary, including under any swap, derivative, foreign exchange, hedge, or other arrangement ("Swap"), deposit, treasury management or other similar transaction or arrangement, and whether the Debtor may be liable individually or jointly with others, or whether recovery upon such Indebtedness may be or hereafter becomes unenforceable. "Indebtedness" secured by the Collateral of such Pledgor shall not include obligations arising under any Swap to which it is not party if, and to the extent that, all or a portion of the guaranty by such Pledgor to the Bank of, or the grant by such Pledgor of a security interest to the Bank to secure, such Swap, would violate the Commodity Exchange Act (7 U.S.C., Sec. 1. et. seq.) by virtue of such Pledgor's failure to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time such guaranty or grant of such security interest becomes effective with respect to such Swap.

3. PLEDGOR'S COVENANTS. The Pledgor represents, covenants and warrants that unless compliance is waived by the Bank in writing:

(a) The Pledgor agrees: (i) to indemnify the Bank against all losses, claims, demands, liabilities and expenses of every kind caused by any Collateral; (ii) to permit the Bank to exercise its rights under this Agreement; (iii) to execute and deliver such documents as the Bank deems necessary to create, perfect and continue the security interests contemplated by this Agreement; (iv) not to change its name (including, for an individual, the Pledgor's name on any driver's license or special identification card issued by any state), and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered or its business structure without giving the Bank at least 30 days prior written notice; (v) not to change the places where the Pledgor keeps any Collateral or the Pledgor's Books and Records concerning the Collateral without giving the Bank prior written notice of the address to which the Pledgor is moving same; and (vi) to cooperate with the Bank in perfecting all security interests granted by this Agreement and in obtaining such agreements from third parties as the Bank deems

necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of its rights under this Agreement.

(b) The Pledgor agrees with regard to the Collateral, unless the Bank agrees otherwise in writing: (i) that the Bank is authorized to file financing statements in the name of the Pledgor to perfect the Bank's security interest in the Collateral; (ii) that the Bank is authorized to notify any account debtors, any buyers of the Collateral, or any other persons of the Bank's interest in the Collateral; (iii) where applicable, to operate the Collateral in accordance with all applicable statutes, rules and regulations relating to the use and control of the Collateral, and not to use any Collateral for any unlawful purpose or in any way that would void any insurance required to be carried; (iv) not to remove the Collateral from the Pledgor's premises except in the ordinary course of the Pledgor's business; (v) to pay when due all license fees, registration fees and other charges in connection with any Collateral; (vi) not to permit any lien on the Collateral, including without limitation, liens arising from repairs to or storage of the Collateral, except in favor of the Bank; (vii) not to sell, hypothecate or dispose of, nor permit the transfer by operation of law of, any Collateral or any interest in the Collateral, except sales of inventory to buyers in the ordinary course of the Pledgor's business; (viii) to permit the Bank to inspect the Collateral at any time; (ix) to keep, in accordance with generally accepted accounting principles, complete and accurate Books and Records regarding all the Collateral, and to permit the Bank to inspect the same and make copies at any reasonable time; (x) if requested by the Bank, to receive and use reasonable diligence to collect the Collateral consisting of accounts and other rights to payment and proceeds, in trust and as the property of the Bank, and to immediately endorse as appropriate and deliver such Collateral to the Bank daily in the exact form in which they are received together with a collection report in form satisfactory to the Bank; (xi) not to commingle the Collateral, or collections with respect to the Collateral, with other property; (xii) to give only normal allowances and credits and to advise the Bank thereof immediately in writing if they affect any rights to payment or proceeds in any material respect; (xiii) from time to time, when requested by the Bank, to prepare and deliver a schedule of all the Collateral subject to this Agreement and to assign in writing and deliver to the Bank all accounts, contracts, leases and other chattel paper, instruments, and documents; (xiv) in the event the Bank elects to receive payments or rights to payment or proceeds hereunder, to pay all expenses incurred by the Bank, including expenses of accounting, correspondence, collection efforts, reporting to account or contract debtors, filing, recording, record keeping and other expenses; and (xv) to provide any service and do any other acts which may be necessary to maintain, preserve and protect all the Collateral and, as appropriate and applicable, to keep all the Collateral in good and saleable condition, to deal with the Collateral in accordance with the standards and practices adhered to generally by users and manufacturers of like property, and to keep all the Collateral free and clear of all defenses, rights of offset and counterclaims.

4. BANK RIGHTS. The Pledgor appoints the Bank its attorney in fact to perform any of the following rights, which are coupled with an interest, are irrevocable until termination of this Agreement and may be exercised from time to time by the Bank's officers and employees, or any of them, whether or not the Pledgor is in default: (a) to perform any obligation of the Pledgor hereunder in the Pledgor's name or otherwise; (b) to release persons liable on the Collateral and to give receipts and acquittances and compromise disputes; (c) to release or substitute security; (d) to prepare, execute, file, record or deliver notes, assignments, schedules,

designation statements, financing statements, continuation statements, termination statements, statements of assignment, applications for registration or like documents to perfect, preserve or release the Bank's interest in the Collateral; (e) to take cash, instruments for the payment of money and other property to which the Bank is entitled; (f) to verify facts concerning the Collateral by inquiry of obligors thereon, or otherwise, in its own name or a fictitious name; (g) to endorse, collect, deliver and receive payment under instruments for the payment of money constituting or relating to the Collateral; (h) to prepare, adjust, execute, deliver and receive payment under insurance claims, and to collect and receive payment of and endorse any instrument in payment of loss or returned premiums or any other insurance refund or return, and to apply such amounts received by the Bank, at the Bank's sole option, toward repayment of the Indebtedness or, where appropriate, replacement of the Collateral; (i) to enter onto the Pledgor's premises in inspecting the Collateral; (j) to make withdrawals from and to close deposit accounts or other accounts with any financial institution, wherever located, into which proceeds may have been deposited, and to apply funds so withdrawn to payment of the Indebtedness; (j) to preserve or release the interest evidenced by chattel paper to which the Bank is entitled and to endorse and deliver any evidence of title; and (k) to do all acts and things and execute all documents in the name of the Pledgor or otherwise, deemed by the Bank as necessary, proper and convenient in connection with the preservation, perfection or enforcement of its rights.

5. DEFAULTS. Any one or more of the following shall be a default hereunder:

(a) The occurrence of any defined or described event of default under, or any default in the performance of or compliance with any obligation, agreement, representation, warranty, or other provision contained in (i) this Agreement, or (ii) any other contract or instrument evidencing the Indebtedness, and such breach remains uncured for more than thirty (30) days.

(b) Any involuntary lien of any kind or character attaches to any Collateral, except for liens for taxes not yet due.

(c) The Bank fails to have an enforceable first lien (except for any Permitted Liens) on or security interest in the Collateral.

(d) Any custodian, receiver or trustee is appointed to take possession, custody or control of all or a substantial portion of the property of the Pledgor or of any guarantor or other party obligated under any Indebtedness.

6. BANK'S REMEDIES AFTER DEFAULT. Following the occurrence of an Event of Default which has not been cured within any applicable cure period, the Bank may do any one or more of the following:

(a) Declare any Indebtedness immediately due and payable, without notice or demand.

(b) Enforce the security interest given hereunder pursuant to the Uniform Commercial Code and any other applicable law.

(c) Enforce the security interest of the Bank in any deposit account of the Pledgor maintained with the Bank by applying such account to the Indebtedness.

(d) Require the Pledgor to obtain the Bank's prior written consent to any sale, lease, agreement to sell or lease, or other disposition of any Collateral consisting of inventory.

(e) Require the Pledgor to segregate all collections and proceeds of the Collateral so that they are capable of identification and deliver daily such collections and proceeds to the Bank in kind.

(f) Require the Pledgor to direct all account debtors to forward all payments and proceeds of the Collateral to a post office box under the Bank's exclusive control.

(g) Require the Pledgor to assemble the Collateral, including the Books and Records, and make them available to the Bank at a place designated by the Bank.

(h) Enter upon the property where any Collateral, including any Books and Records, are located and take possession of such Collateral and such Books and Records, and use such property (including any buildings and facilities) and any of the Pledgor's equipment, if the Bank deems such use necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral.

(i) Demand and collect any payments on and proceeds of the Collateral. In connection therewith the Pledgor irrevocably authorizes the Bank to endorse or sign the Pledgor's name on all checks, drafts, collections, receipts and other documents, and to take possession of and open the mail addressed to the Pledgor and remove therefrom any payments and proceeds of the Collateral.

(j) Grant extensions and compromise or settle claims with respect to the Collateral for less than face value, all without prior notice to the Pledgor.

(k) Use any of the Pledgor's rights and interests in any Intellectual Property now owned or hereafter acquired by the Pledgor, if the Bank deems such use necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral. The Pledgor agrees that any such use shall be without any additional consideration to the Pledgor. As used in this paragraph, "Intellectual Property" includes, but is not limited to, all trade secrets, computer software, service marks, trademarks, trade names, trade styles, copyrights, patents, applications for any of the foregoing, customer lists, working drawings, instructional manuals, and rights in processes for technical manufacturing, packaging and labeling, in which the Pledgor has any right or interest, whether by ownership, license, contract or otherwise.

(l) Have a receiver appointed by any court of competent jurisdiction to take possession of the Collateral. The Pledgor hereby consents to the appointment of such a receiver and agrees not to oppose any such appointment.

(m) Take such measures as the Bank may deem necessary or advisable to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral, and the Pledgor hereby irrevocably constitutes and appoints the Bank as the Pledgor's attorney-in-fact to perform all acts and execute all documents in connection therewith.

(n) Without notice or demand to the Pledgor, set off and apply against any and all of the Indebtedness any and all deposits (general or special, time or demand, provisional or final) and any other indebtedness, at any time held or owing by the Bank or any of the Bank's agents or affiliates to or for the credit of the account of the Pledgor or any guarantor or endorser of the Pledgor's Indebtedness.

(o) Exercise all rights, powers and remedies which the Pledgor would have, but for this Agreement, with respect to all Collateral.

(p) Receive, open and read mail addressed to the Pledgor.

(q) Resort to the Collateral under this Agreement, and any other collateral related to the Indebtedness, in any order.

(r) Exercise any other remedies available to the Bank at law or in equity.

6. MISCELLANEOUS.

(a) Any waiver, express or implied, of any provision hereunder and any delay or failure by the Bank to enforce any provision shall not preclude the Bank from enforcing any such provision thereafter.

(b) The Pledgor shall, at the request of the Bank, execute such other agreements, documents, or instruments, in connection with this Agreement as the Bank may reasonably deem necessary.

(c) All notes, security agreements, subordination agreements and other documents executed by the Pledgor or furnished to the Bank in connection with this Agreement must be in form and substance satisfactory to the Bank.

(d) This Agreement shall be governed by and construed according to the laws of the State of Georgia, to the jurisdiction of which the parties hereto submit.

(e) All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial

exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

(f) All terms not defined herein are used as set forth in the Uniform Commercial Code.

(g) In the event of any action by the Bank to enforce this Agreement or to protect the security interest of the Bank in the Collateral, or to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral, the Pledgor agrees to pay immediately the costs and expenses thereof, together with reasonable attorney's fees actually incurred to the extent permitted by law.

(h) In the event the Bank seeks to take possession of any or all of the Collateral by judicial process, the Pledgor hereby irrevocably waives any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

(i) This Agreement shall constitute a continuing agreement, applying to all future as well as existing transactions, whether or not of the character contemplated at the date of this Agreement, and if all transactions between the Bank and the Pledgor shall be closed at any time, shall be equally applicable to any new transactions thereafter, provided, however, that this Agreement shall terminate, and Pledgor shall be entitled to a release of all liens and security interests created hereby at such time as (i) Pledgor pays the Loan in full and the obligations of Bank to make any further Advances to Pledgor is terminated and (ii) any Swap then in effect either (1) is terminated and all termination payments have been paid in full, (2) has been assigned or cash collateralized, to the extent permitted by the terms of the Swap or (3) is, by the mutual agreement of Pledgor and Bank, left in effect notwithstanding the repayment of the Loan.

(j) The Bank's rights hereunder shall inure to the benefit of its successors and assigns. In the event of any assignment or transfer by the Bank of any of the Indebtedness or the Collateral, the Bank thereafter shall be fully discharged from any responsibility with respect to the Collateral so assigned or transferred, but the Bank shall retain all rights and powers hereby given with respect to any of the Indebtedness or the Collateral not so assigned or transferred. All representations, warranties and agreements of the Pledgor if more than one are joint and several and all shall be binding upon the personal representatives, heirs, successors and assigns of the Pledgor.

7. **FINAL AGREEMENT. BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THIS DOCUMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF, (B) THIS DOCUMENT SUPERSEDES ANY COMMITMENT LETTER, TERM SHEET, OR OTHER WRITTEN OUTLINE OF TERMS AND CONDITIONS RELATING TO THE SUBJECT MATTER HEREOF, UNLESS SUCH COMMITMENT LETTER, TERM SHEET, OR OTHER WRITTEN**

OUTLINE OF TERMS AND CONDITIONS EXPRESSLY PROVIDES TO THE CONTRARY, (C) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (D) THIS DOCUMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

8. **Waiver of Notice for Immediate Writ of Possession.** Pledgor hereby acknowledges that the Indebtedness arises out of a "commercial transaction" as that term is defined in the O.C.G.A. Sec. 44-14-260 (1) concerning foreclosure of mortgages on personalty, and agrees that if a default has occurred and is continuing, Bank shall have the right to an immediate writ of possession without notice of hearing, and Pledgor hereby knowingly and intelligently waives any and all rights it may have to any notice and posting of a bond prior to seizure by Bank, its transferees, assigns or successors in interest of the Collateral or any portion thereof. The foregoing is intended by Pledgor as a "waiver" as that term is defined in the O.C.G.A. Sec 44-14-260 (3) relating to foreclosure of mortgages on personalty.

9. **Inactive Subsidiaries.** Notwithstanding anything to the contrary in this Agreement, the Bank acknowledges that the Board of Directors of the Pledgor has previously authorized the dissolution of Pledgor's inactive subsidiaries set forth on Schedule 7.14(3) of the Loan Agreement and from time to time during the 180-day period from the date hereof, the Pledgor may liquidate and dissolve one or more of such inactive subsidiaries and remove such subsidiaries from the Collateral subject to this Agreement. Pledgor shall not be required to obtain the prior written consent of the Bank with respect to any such dissolution but shall provide written notice thereof within three (3) business days of the effective date of any such dissolution. In the event that at the end of such 180-day period all such subsidiaries have not yet been dissolved, the Pledgor shall report the status of such dissolutions to the Bank and may request an additional 60-day extension from the Bank to complete the dissolutions of all remaining inactive subsidiaries.

[Signatures begin on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed by their authorized representatives as of the day and year first written above.

BANK:
FIFTH THIRD BANK

BY:/_____

Name: _____

Title: _____

ADDRESS:
Fifth Third Bank
3344Peachtree Road, NE Suite 800
Atlanta, GA 30326

PLEDGOR:
[DLH HOLDINGS CORP.]/
[DLH SOLUTIONS, INC.]/
[DANYA INTERNATIONAL, LLC]:

BY:_____

Name: Kathryn JohnBull

Title: Chief Financial Officer

ADDRESS:
DLH Holdings Corp.
3565 Piedmont Road, NE
Atlanta, GA 30305

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT dated as of the 2nd day of May, 2016 (this "Agreement"), by and between DLH Holdings Corp. (the "Pledgor") and Fifth Third Bank ("Bank") is being executed in connection with the Loan Agreement, dated the same date, between Pledgor, Danya International, LLC, DLH Solutions, Inc. and the Bank (the "Loan Agreement").

1. GRANT OF SECURITY INTEREST. ("Pledgor") hereby irrevocably and unconditionally grants a security interest in, a lien upon and the right of set-off against, and assigns and transfers to Fifth Third Bank, and its successors and assigns (collectively, "Lender") all property referred to in Exhibit "A" attached hereto and incorporated herein, as hereafter amended or supplemented from time to time (the "Collateral"). The parties hereto expressly agree that all rights, assets and property at any time held in or credited to any securities account constituting Collateral shall be treated as financial assets as defined in the Uniform Commercial Code as in effect in any applicable state (the "UCC").

2. INDEBTEDNESS.

(a) The Collateral secures and will secure (i) all Indebtedness of Pledgor to Lender. Each person or entity obligated under any Indebtedness is sometimes referred to in this Agreement as a "Debtor."

(b) "Indebtedness" means:

(i) all debts, obligations or liabilities, of every kind or character of Debtor or any one or more of them to Lender, now or hereafter existing or incurred, whether absolute or contingent, primary or secondary, secured or unsecured, joint or several, voluntary or involuntary, due or not due, or incurred directly or indirectly or acquired by Lender by assignment or otherwise; including interest accruing after commencement of any insolvency, reorganization or like proceeding relating to any Debtor, whether or not allowed in such proceeding and further including all debt, obligations or liabilities arising under or incurred in connection with any and all letters of credit issued by Lender for the account of any Debtor or at the request of any Debtor and any reimbursement, indemnity or similar agreements given by any Debtor to Lender in connection therewith;

(ii) all debts, obligations or liabilities arising pursuant to any agreement between Pledgor and/or any Debtor and Bank or any affiliate of Bank now existing or hereafter entered into, which provides for an interest rate, credit, commodity or equity swap, cap, floor, collar, forward foreign exchange transaction, currency swap, cross currency rate swap, currency option, securities puts, calls, collars, options or forwards or any combination of, or option with respect to, these or similar transactions (each a "Hedge Transaction") other than Excluded Hedge Obligations.

(iii) "Excluded Hedge Obligations" shall mean any obligations arising under any Hedge Transaction to which Pledgor is not party if, and to the extent that, the grant by such Pledgor of a security interest in the Collateral to Bank to secure such obligations under such Hedge Transaction would violate the Commodity Exchange Act by virtue of such Pledgor's failure to constitute an "eligible contract participant" as defined in the Commodity Exchange Act as of the date required thereunder with respect to such security interest. "Commodity Exchange Act" means

7 U.S.C. Section 1 et seq., as amended from time to time, any successor statute, and any rules, regulations and orders applicable thereto;

(iv) all costs, attorneys' fees and expenses actually incurred by Lender in connection with the collection or enforcement of any of the above.

(c) Unless otherwise agreed in writing, "Indebtedness" shall not include any debts, obligations or liabilities which are or may hereafter be "consumer credit" subject to the disclosure requirements of the Federal Truth in Lending law or any regulation promulgated thereunder.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING COLLATERAL. Pledgor covenants, represents and warrants that unless compliance is waived by Lender in writing:

(a) Pledgor is the legal and beneficial owner of all the Collateral free and clear of any and all liens, encumbrances, or interests of any third parties other than the security interest of Lender, and will keep the Collateral free of all liens, claims, security interests and encumbrances of any kind or nature, whether voluntary or involuntary, except the security interest of Lender.

(b) Pledgor shall, at Pledgor's expense, take all actions necessary or advisable from time to time to maintain the first priority and perfection of the security interest of Lender in the Collateral and shall not take any actions that would alter, impair or eliminate said priority or perfection.

(c) Pledgor agrees to pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and upon the failure of Pledgor to do so, Lender at its option may pay any of them and shall be the sole judge of the legality or validity thereof and the amount necessary to discharge the same.

(d) Pledgor's exact legal name is correctly set forth on the signature page hereof. Pledgor will notify Lender in writing at least 30 days prior to any change in Pledgor's name or identity.

(e) Pledgor resides and has for the four month period preceding the date hereof resided, in the state specified on the signature page hereof. Pledgor shall give Lender at least thirty (30) days notice before changing the location of its residence or its chief executive office, type of organization, business structure or state of incorporation or organization.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING COLLATERAL. Pledgor hereby represents, warrants and covenants the following with respect to any equity securities comprising any or all of the Collateral (the "Pledged Interests") and covenants and agrees to promptly notify Lender in writing in the event that any of the foregoing representations and warranties is no longer true and correct:

(a) The Pledged Interests have been duly authorized and validly issued and are fully paid and non-assessable.

(b) Except as may be provided for in any applicable operating agreement, there are no contractual restrictions on the pledge of the Pledged Interests by Pledgor to Lender nor on the sale of the Pledged Interests by Pledgor or Lender.

(c) Except as may be provided for in any applicable operating agreement, the Pledged Interests are freely and fully marketable by Pledgor or Lender as pledgee, without regard to any holding period, manner of sale, volume limitation, public information or notice requirement.

5. LENDER APPOINTED ATTORNEY IN FACT. Pledgor authorizes and irrevocably appoints Lender as Pledgor's true and lawful attorney-in-fact with full power of substitution to take any action and execute or otherwise authenticate any record or other documentation that Lender considers necessary or advisable to accomplish the purposes of this Agreement, including but not limited to, the following actions: (a) to file any claims, take any actions or institute any proceedings which Lender determines to be necessary or appropriate to collect or preserve the Collateral or to enforce Lender's rights with respect to the Collateral; (b) to execute in the name or otherwise authenticate on behalf of Pledgor any record reasonably believed necessary or appropriate by Lender for compliance with laws, rules or regulations applicable to any Collateral, or in connection with exercising Lender's rights under this Agreement; (c) to file any financing statement relating to this Agreement electronically; (d) to do and take any and all actions with respect to the Collateral and to perform any of Pledgor's obligations under this Agreement; and (e) to transfer any Collateral (including converting physical certificates to book-entry holdings) into the name of Lender or its nominee or any broker-dealer (which may be an affiliate of Lender) and to execute any control agreement covering any Collateral on Pledgor's behalf and as attorney-in-fact for Pledgor in order to perfect Lender's first priority and continuing security interest in the Collateral and in order to provide Lender with control of the Collateral, and Pledgor's signature on this Agreement or other authentication of this Agreement shall constitute an irrevocable direction by Pledgor to any Lender, custodian, broker dealer, any other securities intermediary or commodity intermediary holding any Collateral or any issuer of any letters of credit to comply with any instructions or entitlement orders, of Lender without further consent of Pledgor; The authority granted herein shall only apply to the following upon the occurrence of an Event of Default as defined herein: (f) to endorse, receive, accept and collect all checks, drafts, other payment orders and instruments representing or included in the Collateral or representing any payment, dividend or distribution relating to any Collateral or to take any other action to enforce, collect or compromise any of the Collateral; (g) to participate in any recapitalization, reclassification, reorganization, consolidation, redemption, stock split, merger or liquidation of any issuer of securities which constitute Collateral, and in connection therewith Lender may deposit or surrender control of the Collateral, accept money or other property in exchange for the Collateral, and take such action as it deems proper in connection therewith, and any money or property received on account of or in exchange for the Collateral shall be applied to the Indebtedness or held by Lender thereafter as Collateral pursuant to the provisions hereof; (h) to exercise any right, privilege or option pertaining to any Collateral, but Lender has no obligation to do so; (i) to make any compromise or settlement it deems desirable or proper with reference to the Collateral; and (j) to execute any documentation reasonably believed necessary by Lender for compliance with Rule 144 or any other restrictions, laws, rules or regulations applicable to any Collateral hereunder that constitutes restricted or control securities under the securities laws. The foregoing appointments are irrevocable and coupled with an interest and shall survive the death or disability of Pledgor and shall not be revoked without Lender's written consent. To the extent permitted by law, Pledgor hereby ratifies all said attorney-in-fact shall lawfully do by virtue hereof.

6. VOTING AND DISTRIBUTION RIGHTS.

(a) So long as no Event of Default shall have occurred and is continuing and Lender has not delivered the notice specified in subsection (b) below, Pledgor shall be entitled to (i)

exercise any and all voting and other consensual rights pertaining to the Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement or any document or agreement executed in connection herewith (ii) make distributions of cash in amounts sufficient for the equity owners of the Collateral to fulfill their federal, state and local tax obligations which arise from the Collateral and (iii) make distributions of cash to the equity owners of the Collateral which are consistent with past practice..

(b) Upon the occurrence and during the continuance of an Event of Default, at the option of Lender exercised in a writing sent to Pledgor, all rights of Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to subsection (a) above shall cease, and Lender shall thereupon have the sole right to exercise such voting and other consensual rights.

7. EVENTS OF DEFAULT; REMEDIES.

(a) Upon the occurrence of an Event of Default, Lender may do any one or more of the following:

(i) Exercise as to any or all of the Collateral all the rights, powers and remedies of an owner, subject to the Section entitled "VOTING RIGHTS".

(ii) Enforce the security interest given hereunder pursuant to the UCC and any other applicable law.

(iii) Sell all or any part of the Collateral at public or private sale in accordance with the UCC, without advertisement, in such manner and order as Lender may elect. Lender may purchase the Collateral for its own account at any such sale. Lender shall give Pledgor such notice of any public or private sale as may be required by the UCC, provided that to the extent notice of any such sale is required by the UCC or other applicable law, Pledgor agrees that at least 10 days notice to Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification and provided further that, if Lender fails to comply with this sentence in any respect, its liability for such failure shall be limited to the liability (if any) imposed on it as a matter of law under the UCC or other applicable law. Pledgor acknowledges that Collateral may be sold at a loss to Pledgor, and that, in such event, Lender shall have no liability or responsibility to Pledgor for such loss. Pledgor further acknowledges that a private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale and, notwithstanding such circumstances, agrees that no such private sale shall, to the extent permitted by applicable law, be deemed not to be "commercially reasonable" solely as a result of such prices and other sale terms. Upon any such sale, Lender shall have the right to deliver, assign and transfer to the buyer thereof the Collateral so sold. Each buyer at any such sale shall hold the Collateral so sold absolutely and free from any claim or right of whatsoever kind, including any equity or right of redemption of Pledgor that may be waived or any other right or claim of Pledgor, and Pledgor, to the extent permitted by law, hereby specifically waives all rights of redemption, stay or appraisal that Pledgor has or may have under any law now existing or hereafter adopted.

Without limiting any other rights and remedies available to Lender, Pledgor expressly acknowledges and agrees that with respect to Collateral consisting of notes, bonds or other securities which are not sold on a recognized market, Lender shall be deemed to have conducted a commercially reasonable sale of such Collateral if (a) such sale is conducted by any nationally recognized broker-dealer (including any affiliate of Lender), investment Lender or any

other method common in the securities industry, and (b) if the purchaser is Lender or any affiliate of Lender, the sale price received by Lender in connection with such sale is reasonably supported by quotations received from one or more other nationally recognized broker-dealers, investment Lenders or other financial institutions.

(b) Enforce the security interest of Lender in any deposit account at Lender which is part of the Collateral by applying such account to the Indebtedness.

(c) Exercise any other remedy provided under this Agreement or by any applicable law.

(d) Comply with any applicable state or federal law requirements in connection with a disposition of the Collateral and such compliance will not be considered to affect adversely the commercial reasonableness of any sale or other disposition of the Collateral.

(e) Sell the Collateral without giving any warranties as to the Collateral. Lender may specifically disclaim any warranties of title or the like. This procedure will not be considered to affect adversely the commercial reasonableness of any sale or other disposition of the Collateral.

8. RIGHT TO CURE; LIMITATION ON LENDER'S DUTIES. If Pledgor fails to perform any agreement contained herein, Lender may perform or cause performance of such agreement and the expenses of Lender incurred in connection therewith shall be payable by Pledgor or Debtor under the Section entitled "COSTS". Any powers conferred on Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, Lender shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which Lender accords its own property, it being understood that Lender shall not have any responsibility for (a) ascertaining, exercising or taking other action or giving Pledgor notice with respect to subscription rights, calls, conversions, exchanges, maturities, lenders or other matters relative to any Collateral, whether or not Lender has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral. Lender shall not be liable for any loss to the Collateral resulting from acts of God, war, civil commotion, fire, earthquake, or other disaster or for any other loss or damage to the Collateral except to the extent such loss is determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from Lender's gross negligence or willful misconduct.

9. WAIVERS. Lender shall be under no duty or obligation whatsoever and Pledgor waives any right to require Lender to (i) make or give any presentment, demands for performances, notices of nonperformance, protests, notices of protest or notices of dishonor in connection with any obligations or evidences of indebtedness held by Lender as Collateral, or in connection with any obligation or evidences of indebtedness which constitute in whole or in part the Indebtedness; (ii) proceed against any person or entity, (iii) proceed against or exhaust any Collateral, or (iv) pursue any other remedy in Lender's power; and Pledgor waives any defense arising by reason of any disability or other defense of Debtor or any other person, or by reason of the cessation from any cause whatsoever of the liability of Debtor or any other person other than payment in full of the Indebtedness. Until the Indebtedness is paid in full, Pledgor waives any right of subrogation, reimbursement, indemnification, and contribution (contractual, statutory or otherwise), including without limitation any claim or right of subrogation under the Bankruptcy Code (Title 11 of the U.S. Code) or any successor statute, arising from the existence or performance of this Agreement, and Pledgor waives any right to enforce any remedy which Lender now has or may hereafter have against

Debtor or against any other person and waives any benefit of and any right to participate in any Collateral or security whatsoever now or hereafter held by Lender. If Pledgor is not also a Debtor with respect to a specified Indebtedness, such Pledgor authorizes Lender without notice or demand and without affecting Pledgor's liability hereunder, from time to time to: (i) renew, extend, accelerate or otherwise change the time for payment of or otherwise change the terms of the Indebtedness or any part thereof, including increase or decrease of the rate of interest thereon; (ii) take and hold security, other than the Collateral, for the payment of the Indebtedness or any part thereof, and exchange, enforce, waive and release the Collateral or any part thereof or any such other security; and (iii) release or substitute Debtor or any one or more of them, or any of the endorsers or guarantors of the Indebtedness or any part thereof, or any other parties thereto. Pledgor agrees that it is solely responsible for keeping itself informed as to the financial condition of Debtor and of all circumstances which bear upon the risk of nonpayment or the risk of a margin call or liquidation of the Collateral.

10. TRANSFER, DELIVERY AND RETURN OF COLLATERAL.

(a) Pledgor shall immediately deliver or cause to be delivered to Lender (i) any certificates or instruments now or hereafter representing or evidencing Collateral and such certificates and instruments shall be in suitable form for transfer without restriction or stop order by delivery, or shall be accompanied by duly executed instruments of transfer or assignment in blank in form and substance satisfactory to Lender, and (ii) in the same form as received (with any necessary endorsement), all dividends and other distributions paid or payable in cash in respect of any Collateral and any such amounts, if received by Pledgor, shall be received in trust for the benefit of Lender and be segregated from the other property or funds of Pledgor.

(b) Lender may at any time deliver the Collateral or any part thereof to Pledgor and the receipt by Pledgor shall be a complete and full acquittance for the Collateral so delivered, and Lender shall thereafter be discharged from any liability or responsibility therefor.

(c) Upon the transfer of all or any part of the Indebtedness, Lender may transfer all or any part of the Collateral and shall be fully discharged thereafter from all liability and responsibility with respect to such Collateral so transferred, and the transferee shall be vested with all the rights and powers of Lender hereunder with respect to such Collateral so transferred; but with respect to any Collateral not so transferred Lender shall retain all rights and powers hereby given. Pledgor agrees that Lender may disclose to any prospective purchaser or transferee and any purchaser or transferee of all or part of the Indebtedness any and all information in Lender's possession concerning Pledgor, this Agreement and the Collateral.

11. CONTINUING AGREEMENT AND POWERS.

(a) This is a continuing Agreement and all the rights, powers and remedies hereunder shall, unless otherwise limited herein, apply to all past, present and future Indebtedness of Debtor or any one or more of them to Lender, including that arising under successive transactions which shall either continue the Indebtedness, increase or decrease it, or from time to time create new Indebtedness after all or any prior Indebtedness has been satisfied, and notwithstanding the death, incapacity, cessation of business, dissolution or bankruptcy of Debtor or any one or more of them, or any other event or proceeding affecting Debtor or any one or more of them.

(b) Until all Indebtedness shall have been paid in full and Lender shall have no obligation to extend credit to any Debtor, the power of sale and all other rights, powers and remedies granted to Lender hereunder shall continue to exist and may be exercised by Lender at

the time specified hereunder under the terms hereof irrespective of the fact that the personal liability of Debtor or any one or more of them may have ceased.

12. COSTS. All advances, charges, costs and expenses, including attorneys' fees actually incurred or paid by Lender in exercising any right, power or remedy conferred by this Agreement or in the enforcement thereof, shall become a part of the Indebtedness secured hereunder and shall be paid to Lender by Debtor and Pledgor immediately and without demand, with interest thereon at an annual rate equal to the highest rate of interest of any Indebtedness secured by this Agreement (or, if there is no such interest rate, at the maximum interest rate permitted by law for interest on judgments).

13. NOTICES. Unless otherwise provided or agreed to herein or required by law, notice and communications provided for in this Agreement shall be in writing and shall be mailed or delivered to Pledgor to the address set forth for Pledgor on the signature page hereof or at such other address as shall be designated by Pledgor in a written notice to Lender at the address for notices set forth on the signature page of this Agreement for Lender. If Pledgor's address for notices is not entered below then the address for Pledgor in Lender's records shall be deemed the address for notices to Pledgor. Notices and other communications sent by (a) United States Certified Mail, return receipt requested shall be deemed delivered on the earlier of actual receipt or on the fourth business day after deposit in the U.S. mail, postage prepaid and (b) overnight courier shall be deemed delivered on the next business day after deposit with the overnight courier.

14. INDEMNITY. Pledgor shall indemnify, hold harmless and defend Lender and its directors, officers, agents and employees, from and against any and all claims, actions, obligations, liabilities and expenses, including defense costs, investigative fees and costs, and legal fees and damages arising from their execution of or performance under this Agreement, except to the extent that such claim, action, obligation, liability or expense is determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such indemnified person. This indemnification shall survive the termination of this Agreement.

15. MISCELLANEOUS.

(a) This Agreement (i) may be waived, altered, modified or amended only by an instrument in writing, duly executed by the party or parties sought to be charged or bound thereby, and (ii) may be executed in any number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement; but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Any waiver, express or implied, of any provision hereof and any delay or failure by Lender to enforce any provision shall not preclude Lender from enforcing any such provision thereafter.

(b) Pledgor hereby irrevocably authorizes Lender to file one or more financing statements describing all or part of the Collateral, and continuation statements, or amendments thereto, relative to all or part of the Collateral as authorized by applicable law. Such financing statements, continuation statements and amendments will contain any other information required by the UCC for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether Pledgor is an organization, the type of organization and any organizational identification number issued to Pledgor. Pledgor agrees to furnish any such information to Lender promptly upon request. Pledgor also ratifies its authorization for Lender to have filed any initial financing statement or amendments thereto filed prior to the date hereof.

(c) From time to time, Pledgor and Debtor shall, at the request of Lender, execute such other agreements, documents or instruments or take any other actions in connection with this Agreement as Lender may reasonably deem necessary to evidence or perfect the security interests granted herein, to maintain the first priority of the security interests, or to effectuate the rights granted to Lender herein, but their failure to do so shall not limit or affect any security interest or any other rights of Lender in and to the Collateral. Pledgor will execute and deliver to Lender any stock powers, instructions to any securities intermediary, issuer or transfer agent, proxies, or any other documents of transfer that Lender requests in order to perfect, obtain control or otherwise protect Lender's security interest in the Collateral or to effect Lender's rights under this Agreement. Such powers or documents may be executed in blank or completed prior to execution, as requested by Lender.

(d) This Agreement shall be governed by and construed according to internal laws of the State of Georgia to the jurisdiction of which the parties hereto submit, except as otherwise required by mandatory provisions of law and except to the extent that remedies are governed by the laws of any other jurisdiction.

(e) Any term used or defined in the UCC and not defined herein has the meaning given to the term in the UCC, when used in this Agreement.

(f) This Agreement shall benefit Lender's successors and assigns and shall bind Pledgor's successors and assigns, except that Pledgor may not assign its rights and obligations under this Agreement. This Agreement shall bind all parties who become bound as a Debtor with respect to the Indebtedness.

(g) All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise of any other right or remedy.

(h) In all cases where more than one party executes this Agreement, all words used herein in the singular shall be deemed to have been used in the plural where the context and construction so require, and all obligations and undertakings hereunder of such parties are joint and several.

(i) The illegality, invalidity or unenforceability of any provision of this Agreement shall not in any way affect or impair the legality, validity or enforceability of the remaining provisions of this Agreement.

(j) This Agreement and any other documents executed or delivered in connection herewith constitute the entire agreement of the parties hereto with respect to the subject matter hereof and shall supersede any prior expressions of intent or understandings with respect to this transaction.

(k) Notwithstanding anything to the contrary in this Agreement, the Bank acknowledges that the Board of Directors of the Pledgor has previously authorized the dissolution of Pledgor's inactive subsidiaries set forth on Schedule 7.14(3) of the Loan Agreement and from time to time during the 180-day period from the Closing Date, the Pledgor may liquidate and dissolve one or more of such inactive subsidiaries and remove such subsidiaries from the Collateral subject to this Agreement. Pledgor shall not be required to obtain the prior written consent of the Bank with respect to any such dissolution but shall provide written notice thereof within three (3) business days of the effective date of any such dissolution. In the event that at the end of such 180-

day period all such subsidiaries have not yet been dissolved, the Pledgor shall report the status of such dissolutions to the Bank and may request an additional 60-day extension from the Bank to complete the dissolutions of all remaining inactive subsidiaries which request shall not be unreasonably withheld.

[signature page to follow]

In Witness Whereof, Pledgor has caused this Pledge Agreement to be executed under seal as of May 2, 2016.

Pledgor:

DLH Holdings Corp.

By: _____

Name: Kathryn JohnBull

Title: Chief Financial Officer

Bank:

Fifth Third Bank

By: _____

Name:

Title: Vice President

Address for Notices to Pledgor:	DLH Holdings Corp. 3565 Piedmont Road, NE Bldg. 3, Suite 700 Atlanta, GA 30306
Address for Notices to Bank:	Fifth Third Bank 3344 Peachtree Road, NE Suite 800 Atlanta, GA 30126

[SIGNATURE PAGE TO PLEDGE AGREEMENT]

EXHIBIT A TO PLEDGE AGREEMENT

Description of Collateral

1. All membership and other right, title and interest in and to the Pledgor's investment in Danya International, LLC (the "Interest"), including without limitation, (i) Pledgor's interest in the profits and losses generated by the Interest, any right to receive distributions therefrom or to make redemptions of such Interest or tender thereof, (ii) all rights, privileges, authority and power of Pledgor as owner and holder of the Interest, including all contract rights related thereto, (iii) any documents or certificates representing or evidencing the Interest, and (iv) all distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Interest, in each case, whether now existing or hereafter arising, whether at law or in equity.

1. _____ shares of common stock of DLH Solutions, Inc./Teamstaff Rx, Inc./Brightlane.com, Inc./[_____] evidenced in whole or in part by certificate #_____ (the "Interest"), including without limitation, (i) all rights, privileges, authority and power of Pledgor as owner and holder of the Interest, including all contract rights related thereto, (iii) any documents or certificates representing or evidencing the Interest, and (iv) all distributions, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for the Interest, in each case, whether now existing or hereafter arising, whether at law or in equity.

The Collateral includes all present and future income, proceeds, earnings, increases, and substitutions from or for the Collateral of every kind and nature, including without limitation all payments, interest, profits, distributions, benefits, rights, options, warrants, dividends, stock dividends, stock splits, stock rights, regulatory dividends, subscriptions, monies, claims for money due and to become due, proceeds of any insurance on the Collateral, shares of stock of different par value or no par value issued in substitution or exchange for shares included in the Collateral, and all other property Pledgor is entitled to receive on account of such Collateral, including accounts, documents, instruments, chattel paper, and general intangibles.

Exhibit A is dated as of May 2, 2016.

NOTE PURCHASE AGREEMENT

THIS NOTE PURCHASE AGREEMENT (this "Agreement"), dated as of May 2, 2016 is made by and among DLH HOLDINGS CORP. (the "Company"), a New Jersey corporation and each party executing the Purchaser Signature Page attached hereto (individually, a "Purchaser" and, collectively, the "Purchasers").

BACKGROUND

WHEREAS, upon the terms and subject to the conditions set forth herein, the Company wishes to sell and issue to each Purchaser, and each Purchaser desires to purchase, severally and not jointly, from the Company securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchasers hereby agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

1.1 Certain Definitions. In addition to the other terms specifically defined elsewhere in this Agreement, the following capitalized terms shall have the following respective meanings when used herein:

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control", when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Board of Directors" means the board of directors of the Company or any authorized committee of the board of directors.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which the banking institutions in the City of New York, New York are authorized or obligated by law or executive order to close or be closed.

"Capital Stock" of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interest in (however designated) equity of such Person, but excluding any debt securities convertible into such equity.

"Closing" means the closing of the purchase and sale of Securities pursuant to this Agreement.

"Commission" means the United States Securities and Exchange Commission.

"Event of Default" has the meaning given such term in the Subordinated Notes.

"Exchange Act" means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

"GAAP" means generally accepted accounting principles in the United States as in effect from time to time.

"Indebtedness" means, without duplication, with respect to any Person (the "subject Person"), all liabilities, obligations and indebtedness of the subject Person to any other Person, of any kind or nature, now or hereafter owing, arising, due or payable, howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed or otherwise, consisting of indebtedness for borrowed money or the deferred purchase price of property, excluding purchases of property, product, merchandise and services in the ordinary course of business, but including (a) all obligations and liabilities of any Person secured by any lien on the subject Person's property, even though the subject Person shall not have assumed or become liable for the payment thereof (except unperfected liens incurred in the ordinary course of business and not in connection with the borrowing of money); provided, however, that all such obligations and liabilities which are limited in recourse to such property shall be included in Indebtedness only to the extent of the book value of such property as would be shown on a balance sheet of the subject Person prepared in accordance with GAAP; (b) all capital lease obligations and other obligations or liabilities created or arising under any conditional sale or other title retention agreement with respect to property used or acquired by the subject Person, even if the rights and remedies of the lessor, seller or lender thereunder are limited to repossession of such property; provided, however, that all such obligations and liabilities which are limited in recourse to such property shall be included in Indebtedness only to the extent of the book value of such property as would be shown on a balance sheet of the subject Person prepared in accordance with GAAP; (c) all obligations and liabilities under guarantees; (d) the present value of lease payments due under synthetic leases; (e) all obligations and liabilities under any asset securitization or sale/leaseback transaction; and (f) obligations of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person; provided, further, however, that in no event shall the term Indebtedness include the capital stock surplus, retained earnings, minority interests in the common stock of Subsidiaries, lease obligations (other than pursuant to (b) or (d) above), reserves for deferred income taxes and investment credits, other deferred credits or reserves.

"Majority in Interest" shall mean the holders of fifty-one percent (51%) or more of the outstanding principal amount of all then outstanding Subordinated Notes.

"New Securities" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities, other than rights issued in connection with the Rights Offering.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"Required Approvals" means (i) filings expressly required pursuant to this Agreement, (ii) application(s) to the Company's principal Trading Market for the listing of the shares of Common Stock which may be issued pursuant to the terms of this Agreement for trading thereon in the time and manner required thereby; (iii) such filings as are required to be made under applicable federal and state securities laws; (iv) approvals or consents that have been made or obtained prior to or contemporaneously with the date of this Agreement; (v) filings pursuant to the Exchange Act; and (vi) the approval of the lender under

the Senior Credit Facility, which has been made or obtained prior to or contemporaneously with the execution of this Agreement.

"Securities" means the Subordinated Notes, the Warrants and the Warrant Shares.

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

"Senior Credit Facility" means the secured loan arrangements comprised of (i) a $25,000,000 senior secured term loan and (ii) a $10,000,000 revolving credit facility entered into between the Company and the Senior Lender, as of May 2, , 2016, and as such arrangements may be amended or replaced from time to time.

"Senior Lender" means initially, Fifth Third Bank (and its Affiliates), or such other lender or syndicate of lenders, or their assignees, as may subsequently provide the senior secured loans to the Company pursuant to the Senior Credit Facility.

"Significant Subsidiary" has the meaning assigned to it under Rule 405 of the Securities Act.

"Subscription Amount" means, as to each Purchaser, the aggregate amount to be paid for Subordinated Notes and Warrants purchased hereunder as specified below such Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," payable in United States dollars and in immediately available funds.

"Subordinated Notes" means the 4% Subordinated Notes due, subject to the terms therein, sixty six months from their date of issuance, issued by the Company to the Purchasers hereunder, in the form of Exhibit A attached hereto.

"Subsidiary" means, in respect of any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of Capital Stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person.

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

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE AMEX, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Bulletin Board.

"Transaction Agreements" means this Agreement, the Subordinated Notes, the Warrants and any other agreement or instrument executed by a party to this Agreement or in connection with the transactions contemplated hereunder.

"VWAP" means the dollar volume-weighted average price for the Company's Common Stock on the Nasdaq Capital Market during the period beginning at 9:30:01 a.m., New York time (or such other time as the Nasdaq Capital Market publicly announces is the official open of trading), and ending at

4:00:00 p.m., New York time (or such other time as the Nasdaq Capital Market publicly announces is the official close of trading), as reported by Bloomberg, L.P. through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time (or such other time as Nasdaq publicly announces is the official open of trading), and ending at 4:00:00 p.m., New York City Time (or such other time as Nasdaq publicly announces is the official close of trading), as reported by Bloomberg, L.P., or, if no dollar volume-weighted average price is reported for such security by Bloomberg, L.P. for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for such security as reported in the "pink sheets" by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.). If the VWAP cannot be calculated for the Company's Common Stock on a particular date on any of the foregoing bases, the VWAP of the Common Stock shall be the fair market value of the Company's Common Stock on such date as determined by the Company's Board of Directors in good faith.

"Warrants" means, collectively, the Common Stock purchase warrants delivered to the Purchasers at the Closing in accordance with Section 2.2(a) hereof, which Warrants shall be in the form of Exhibit B attached hereto.

"Warrant Shares" means the shares of Common Stock issuable upon exercise of the Warrants.

ARTICLE II
PURCHASE AND SALE OF NOTES AND WARRANTS

2.1 Purchase and Sale of Securities; Closing.

(a) The Company is authorized to offer and sell to the Purchasers (i) an aggregate principal amount of $2,500,000 of Subordinated Notes, having the terms set forth in the form of Subordinated Note attached hereto as Exhibit A, and (ii) Warrants to purchase a maximum of 53,619 shares of Common Stock which warrants shall be exercisable at a per share exercise price equal to the VWAP of the Company's Common Stock for the 20 consecutive Trading Days immediately preceding the Closing, and otherwise be substantially in the form attached hereto as Exhibit B. On the Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchasers, severally and not jointly, agree to purchase, an aggregate of $2,500,000 in principal amount of the Subordinated Notes and the aggregate number of Warrants stated in the first sentence of this Section 2.1(a), which Subordinated Notes and Warrants shall be allocated among the Purchasers as set forth on the Purchasers' respective signature pages hereto. If there shall be more than one Purchaser, each Subordinated Note and Warrant to be issued at the Closing shall be identical in all respects except for (i) the name of the Person to whom such Subordinated Note or Warrant is being issued, and (ii) the principal amount of each such Subordinated Note or number of shares of Common Stock issuable upon exercise of each such Warrant.

(b) At the Closing, each Purchaser shall deliver its Subscription Amount by delivering to the Company, via wire transfer, immediately available funds equal to such Purchaser's Subscription Amount as set forth on the signature page hereto executed by such Purchaser. At the Closing, the Company shall deliver to each Purchaser its respective Subordinated Note and a Warrant, as determined pursuant to Section 2.2(a), and the Company and each Purchaser shall deliver the other items set forth in Section 2.2 deliverable at the Closing. Upon satisfaction of the covenants and conditions set forth in Sections 2.2 and 2.3, the Closing of the purchase and sale of the Securities pursuant to this Agreement shall occur at the

offices of Company's counsel or such other location and on such Business Day as the parties shall mutually agree (the "Closing Date").

(c) Each Purchaser acknowledges and agrees that the Company reserves the right, in its absolute discretion, to reject a subscription for Subordinated Notes and Warrants, in whole, but not in part, at any time prior to the Closing. If a subscription is rejected in whole, any checks or other forms of payment delivered to the Company representing the Subscription Amount will be promptly returned to each Purchaser without interest or deduction.

2.2 Deliveries.

(a) On or prior to the Closing Date (except as otherwise provided below), the Company shall deliver or cause to be delivered to each Purchaser the following: (i) this Agreement duly executed by the Company; (ii) a copy via pdf delivery of the executed Subordinated Note with a principal amount equal to such Purchaser's Subscription Amount, registered in the name of such Purchaser, with the original to delivered within three Trading Days of the Closing (iii) a copy via pdf delivery of the executed Warrant registered in the name of such Purchaser to purchase such number of shares of Common Stock as is equal to the quotient obtained by dividing such Purchaser's Subscription Amount by the initial exercise price of the Warrant issued to such Purchaser, with the original to be delivered within three Trading Days of the Closing; (iv) a certificate executed by the Chief Executive Officer of the Company in the form reasonably acceptable to the Purchasers; and (v) such other documents relating to the transactions contemplated by this Agreement as the Purchasers or their counsel may reasonably request.

(b) On or prior to the Closing Date, each Purchaser shall deliver or cause to be delivered to the Company, as applicable, the following: (i) this Agreement duly executed by such Purchaser; (ii) such Purchaser's Subscription Amount by wire transfer to the account designated by the Company for receipt of such funds; (iii) a fully completed and duly executed Accredited Investor Certification, substantially in the form attached hereto as Schedule A; and (iv) such other documents relating to the transactions contemplated by this Agreement as the Company or its counsel may reasonably request.

2.3 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Closing are subject to the satisfaction, or the waiver by the Company, at or prior to the Closing, of each of the following conditions:

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

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date shall have been performed;

(iii) the delivery by each Purchaser of the items set forth in Section 2.2(b) of this Agreement; and

(iv) the Company shall have received all Required Approvals for the applicable Closing.

(b) The respective obligations of the Purchasers hereunder in connection with the Closing are subject to the satisfaction, or the waiver by such Purchaser, on or prior to such payment, of each of the following conditions:

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

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the relevant Closing Date shall have been performed; and

(iii) the delivery by the Company of the items set forth in Section 2.2(a) of this Agreement;

(iv) the Company shall have received all Required Approvals for the applicable Closing; and

(v) the Senior Credit Facility shall have been executed and delivered by the parties thereto.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchasers as follows:

(a) Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of New Jersey and has the requisite legal authority to own and use its properties and assets and to carry on its business as currently conducted. The Company is not in violation of any of the provisions of its certificate of incorporation, bylaws or other organizational or charter documents. The Company is duly qualified to do business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by the Company makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, would not, individually or in the aggregate, have, or reasonably be expected to result in, a Material Adverse Effect (defined below). For purposes of this Agreement, "Material Adverse Effect" means (i) a material adverse effect on the results of operations, assets, business and/or financial condition of the Company and its Subsidiaries, taken as a whole on a consolidated basis, or (ii) material and adverse impairment of the Company's ability to perform its obligations under this Agreement, provided that none of the following alone shall be deemed, in and of itself, to constitute a Material Adverse Effect: (A) a change in the market price or trading volume of the shares of Common Stock of the Company; or (B) changes in general economic conditions or changes affecting the industry in which the Company operates generally (as opposed to Company-specific changes) so long as such changes do not have a disproportionate effect on the Company and its Subsidiaries, taken as a whole.

(b) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the certificates or instruments representing the Subordinated Notes and the Warrants have been duly authorized by all necessary corporate action on the part of the Company. This Agreement has been duly executed and delivered by the Company and constitutes, and the certificates representing the

Subordinated Notes and Warrants, when executed and delivered in accordance with the terms hereof, will constitute, a valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally; (ii) the effect of rules of law governing the availability of specific performance and other equitable remedies; and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(c) Required Approvals; No Conflicts. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person or entity in connection with the execution, delivery and performance by the Company of this Agreement or the issuance, sale or delivery of the Securities other than the Required Approvals.. The execution and delivery by the Company of this Agreement and the certificates representing the Subordinated Notes and the Warrants, and the performance by the Company of its obligations hereunder and thereunder, do not and will not (i) conflict with or violate any provision of the Company's certificate of incorporation, bylaws or other organizational or charter documents, (ii) subject to the Company obtaining the Required Approvals, conflict in any material respect with, or constitute a material default under (or an event that, with notice or lapse of time or both, would become a material default under), or give to others any rights of termination, amendment, acceleration or cancellation under (with or without notice, lapse of time or both), any agreement, credit facility, debt or other instrument evidencing a debt of the Company or other understanding to which the Company is a party, or by which any of its properties or assets is bound, or (iii) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company is subject, or by which any of its properties or assets is bound.

(d) Capitalization. The Company is currently authorized to issue 40,000,000 shares of Common Stock, $0.001 par value per share, of which 9,716,929 shares are issued and outstanding on the date hereof, and 5,000,000 shares of Preferred Stock, $0.10 par value per share, of which no shares are issued and outstanding on the date hereof. All of the issued and outstanding shares of the Company's Common Stock have been duly authorized and validly issued and are fully paid, nonassessable and were issued in full compliance with applicable state and federal securities laws and any rights of third parties. Except as may be described in this Agreement, no securities of the Company are entitled to preemptive or similar rights, and no entity or Person has any right of first refusal, preemptive right, right of participation, or any similar right to participate in the transactions contemplated by this Agreement unless any such rights have been waived.

(e) Due Issuance. The Subordinated Notes and the Warrants to be issued and the shares of Common Stock to be issued upon exercise of the Warrants have been duly authorized and, when issued and paid for in accordance with this Agreement and the Warrants, as the case may be, will be duly and validly issued and outstanding, fully paid and non-assessable, free and clear of all liens and will not be subject to pre-emptive or similar rights of stockholders of the Company.

(f) Litigation. There is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or investigation before any court, governmental agency or body, or arbitrator having jurisdiction over the Company, or any of its Affiliates that would affect the execution by the Company or the performance by the Company of its obligations under this Agreement, and all other agreements entered into by the Company relating hereto. Except as disclosed in the Company's reports filed with the SEC pursuant to the Exchange Act (the "SEC Reports"), there is no pending or, to the knowledge of the Company, threatened action, suit, proceeding or investigation before any court, governmental agency or

body, or arbitrator having jurisdiction over the Company, or any of its Affiliates which litigation if adversely determined could have a Material Adverse Effect.

(g) Material Liabilities and Indebtedness. Neither the Company nor any of its Significant Subsidiaries has any material liabilities or obligations which are not disclosed in the SEC Reports, other than the Acquisition (as defined in Section 4.4 below) and the Senior Credit Facility. Except as disclosed in the Company's SEC Reports, the Company does not have any material outstanding Indebtedness as of the date of this Agreement.

(h) Financial Statements. The financial statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 2015 and in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2015, present fairly, in all material respects, the consolidated financial position of the Company and its Subsidiaries as of the dates shown and its consolidated results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis (except as may be disclosed therein or in the notes thereto, and, in the case of quarterly financial statements, as permitted by Form 10-Q under the Exchange Act).

(i) No Defaults. Except as disclosed in the Company's SEC Reports, the Company and its Subsidiaries are not, nor have they received notice that they would be with the passage of time, giving of notice, or both, in breach or violation of any of the terms and provisions of, or in default under (a) their charters and bylaws, (b) any statute, rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over them, or any of their assets or properties, or (c) any agreement or instrument to which they are a party or by which they are bound or to which any of their assets or properties are subject, except, in the case of clauses (b) and (c) only, for such conflicts, breaches or violations as have not and could not reasonably be expected to result in, individually or in the aggregate, a Material Adverse Effect.

(j) Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement, based upon any arrangement made by or on behalf of the Company.

(k) SEC Reports. The Company has filed on a timely basis all SEC Reports required to be filed pursuant to the Exchange Act and such SEC Reports conform in all material respects to the requirements of the Exchange Act and are true and correct in all material respects. Since the date of the most recent SEC Report filed by the Company there has been no event, change or circumstance relating to the Company or any of its Subsidiaries that would have been required to have been reported on a prior SEC Report if such event, change or circumstance had occurred on or prior to such SEC Report.

(l) Full Disclosure. None of the representations and warranties in this Section 3.1, taking into account the schedules attached to this Agreement, contain any untrue statement of a material fact or omit a material fact necessary to make each statement contained herein or therein, in light of the circumstances in which they were made, not misleading.

3.2 Representations, Warranties and Acknowledgements of the Purchasers.

(a) Organization; Authority. Each Purchaser certifies that it is resident in the jurisdiction set out on the face page of this Agreement. Such address was not created and is not used solely for the purpose of acquiring the Subordinated Notes and each Purchaser was solicited to purchase in such

jurisdiction. In the case of a Purchaser that is not a natural person, (i) such Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has the requisite corporate, partnership or other power and authority to enter into this Agreement, to subscribe for and purchase the Subordinated Notes as contemplated herein and to carry out its obligations hereunder, and (ii) the execution and delivery of this Agreement have been duly authorized by all necessary corporate, partnership or other action on the part of such Purchaser. The Purchaser is duly authorized to execute and deliver this Agreement and all other necessary documentation. In the case of all Purchasers, whether or not a natural person, this Agreement has been duly authorized, executed and delivered by such Purchaser and constitutes a legal, valid and binding obligation of each such Purchaser, enforceable against him, her or it in accordance with its terms, except as may be limited by (A) applicable bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights generally; (B) the effect of rules of law governing the availability of specific performance and other equitable remedies; and (C) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) No Conflicts. The execution, delivery and performance by the Purchaser of this Agreement and each of the Transaction Agreements to which it is a party, and the consummation by the Purchaser of the transactions contemplated by this Agreement and each such Transaction Agreement, do not and will not (i) conflict with or violate any provision of the Purchaser's certificate of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Purchaser is subject (including federal and state securities laws and regulations), or by which any property or asset of the Purchaser is bound or affected.

(c) No General Solicitation. The subscription for the Subordinated Notes and Warrants by each Purchaser has not been made through or as a result of, and the distribution of the Subordinated Notes and Warrants is not being accompanied by any advertisement, including without limitation in printed public media, radio, television or telecommunications, including electronic display, or as part of a general solicitation.

(d) Limited Representations. No Person has made any written or oral representations that (i) any Person will resell or repurchase the Subordinated Notes, the Warrants or the Warrant Shares, (ii) that any Person will refund all or any part of the Subscription Amount, or (iii) as to the future price or value of the shares of Common Stock of the Company.

(d) Restricted Securities. Each Purchaser understands that the Subordinated Notes, the Warrants, and Warrant Shares will be characterized as "restricted securities" under U.S. federal securities laws inasmuch as, if issued, they will be acquired from the Company in a transaction not involving a public offering and that, under U.S. federal securities laws and applicable regulations, the Subordinated Notes, the Warrants, and Warrant Shares may be resold without registration under the Securities Act only in certain limited circumstances. Such Purchaser acknowledges that all certificates and instruments representing any of the Subordinated Notes, the Warrants, and Warrant Shares will bear a restrictive legend in a form as set forth below and hereby consents to the transfer agent for the Common Stock making a notation on its records to implement the restrictions on transfer described herein. Such Purchaser understands that except as provided herein: (i) the Securities have not been and are not being registered under the Securities Act or any state securities laws, must be held indefinitely and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) such Purchaser shall have delivered to the Company an opinion of counsel, in a generally acceptable form, to the effect that such Securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) such Purchaser provides the Company with reasonable assurance that such Securities

can be sold, assigned or transferred pursuant to Rule 144 or Rule 144A promulgated under the Securities Act (or a successor rule thereto) (collectively, "Rule 144"); (ii) any sale of the Securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of the Securities under circumstances in which the seller (or the Person (through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the Commission thereunder; and (iii) neither the Company nor any other Person is under any obligation to register the Securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder (except as provided elsewhere herein).

(e) Certain Legends. Such Purchaser understands that the Securities are "restricted securities" and that the certificates or other instruments representing the Securities shall bear any applicable legend as required under U.S. federal securities laws and a restrictive legend in substantially the form set forth in Section 4.5 of this Agreement. Further, the Company may place a stop transfer order on its transfer books against the Warrant Shares if such is required in the reasonable opinion of counsel to the Company pursuant to applicable securities laws. Such stop order will be removed, and further transfer of such shares of Common Stock will be permitted, upon an effective registration of the Warrant Shares or the receipt by the Company of an opinion of counsel satisfactory to the Company that such further transfer may be effected pursuant to an applicable exemption from registration.

(f) Reliance on Representations. Such Purchaser understands that the Securities are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein and in the applicable schedules and exhibits in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Securities. The Purchaser undertakes to immediately notify the Company of any change in any statement or other information relating to the Purchaser set forth in such applicable schedules and exhibits which takes place prior to the Closing time.

(g) Schedules. Each Purchaser acknowledges that this Agreement and the Schedules attached hereto require the Purchaser to provide certain personal information to the Company. Such information is being collected by the Company for the purposes of completing the transactions contemplated by this Agreement, which includes, without limitation, determining the Purchaser's eligibility to purchase the Subordinated Notes under the securities laws applicable in the United States and other applicable securities laws, preparing and registering certificates representing the Subordinated Notes and Warrants and completing filings required by any stock exchange or securities regulatory authority. The Purchaser's personal information may be disclosed by the Company to: (a) stock exchanges or securities regulatory authorities, and (b) any of the other parties to this Agreement, such parties' respective legal counsel and may be included in record books in connection with the Offering. By executing this Agreement, the Purchaser is deemed to be consenting to the foregoing collection, use and disclosure of the Purchaser's personal information; provided, that in the event of a disclosure pursuant to clause (a) of the preceding sentence, the Company shall (to the extent it is legally permitted), use commercially reasonable efforts to give such Purchaser advance notice of any required disclosure. The Purchaser also consents to the filing of copies or originals of any of the Purchaser's documents as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby.

(h) No Public Sale or Distribution. Each Purchaser will be acquiring the Securities in the ordinary course of business for his, her or its account and not for the benefit of any other Person and not with a view towards, or for resale in connection with, the public sale or distribution thereof, and the

Purchaser covenants that it will not resell the Subordinated Notes the Warrants, or shares of Common Stock except pursuant to sales registered under the Securities Act or under an exemption from such registration and in compliance with applicable U.S. federal and state securities laws. Such Purchaser has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law

(i) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants it will be either (i) an "accredited investor" as defined in Rule 501(a) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act. Neither the Purchaser nor any director, executive officer, other member or officer of the Purchaser participating in the transactions contemplated by this Agreement, any beneficial owner of 20% of more of the Purchaser's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Purchaser in any capacity at the time of sale (each a "Purchaser Covered Person") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (3) (provided that the foregoing exception shall not be available hereunder with respect to Rule 506(d)(2)(iv) for any Disqualification Event of which the Company did not know as a result of the Purchaser's failure to disclose such Disqualification Event to the Company as otherwise required by this Section 3.2). Such Purchaser has exercised reasonable care to determine (i) the identity of each person that is a Purchaser Covered Person and (ii) whether any Purchaser Covered Person is subject to a Disqualification Event.

(j) Experience of Purchaser. There are risks associated with the purchase of and investment in the Subordinated Notes, the Warrants, and shares of Common Stock of the Company, and the Purchaser, either alone or together with his, her or its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of entering into this Agreement and making his, her or its Subscription Amount and the merits and risks of the prospective investment in the Subordinated Notes, the Warrants, and shares of Common Stock of the Company, and such Purchaser has so evaluated such merits and risks. Such Purchaser understands that he, she or it must bear the economic risk of an investment in the Subordinated Notes, the Warrants, and shares of Common Stock of the Company, if any, indefinitely and is able to bear such risk and to afford a complete loss of such investment.

(k) Access to Information. Such Purchaser acknowledges that he, she or it has reviewed the SEC Reports and has been afforded (i) the opportunity to ask such questions as he, she or it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of this Agreement and the merits and risks of the prospective investment in the Subordinated Notes and Warrants, (ii) access to information about the Company and its Subsidiaries and their respective financial condition, results of operations, business, properties, management and prospects sufficient to enable him, her or it to evaluate the terms and conditions of this Agreement and the merits and risks of the prospective investment in the Securities and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed decision. The Purchaser is not purchasing the Subordinated Notes and Warrants based on knowledge of material information concerning the Company that has not been generally disclosed. Such Purchaser and its advisors, if any, in acquiring the Securities, have relied solely on their independent investigation of the Company and have been afforded the opportunity to ask questions of the

Company. Neither such inquiries nor any other due diligence investigations conducted by such Purchaser or its advisors, if any, or its representatives shall modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained herein. Such Purchaser understands that its investment in the Securities involves a high degree of risk. Such Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Securities.

(l) No Governmental Review. Each Purchaser understands that no United States federal or state agency, or any other government or governmental agency has reviewed or passed on or made, or will pass on or make, any recommendation or endorsement of the Subordinated Notes, the Warrants, or shares of Common Stock of the Company or the fairness or suitability of the prospective investment in the Subordinated Notes, the Warrants, or shares of Common Stock of the Company.

(m) Aggregate Investment. Each Purchaser understands that his, her or its subscription for the Subordinated Notes and Warrants forms part of a larger offering of Subordinated Notes and Warrants by the Company for gross proceeds to the Company of $2,500,000.

(n) Securities Transactions. No Purchaser has engaged, directly or indirectly, and no Person or entity acting on behalf of or pursuant to any understanding with such Purchaser has engaged, in any purchases or sales of any securities of the Company since the time such Purchaser was first contacted by the Company, or by any other Person or entity, regarding an investment in the Company, including this Agreement and the transactions contemplated herein.

(o) No Legal, Tax or Investment Advice. Each Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to him, her or it in connection with this Agreement and the transactions contemplated herein, including the prospective investment in the Subordinated Notes, the Warrants, and Warrant Shares, constitutes legal, tax or investment advice. Each Purchaser has consulted such legal, tax and investment advisors as he, she or it, in his, her or its sole discretion, has deemed necessary or appropriate in the circumstances. The Purchaser is not relying on the Company or its counsel in this regard.

ARTICLE IV
OTHER AGREEMENTS AND COVENANTS

4.1 Reservation of Common Stock. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of providing for the exercise of the Warrants, such number of shares of Common Stock as shall from time to time equal the number of shares sufficient to permit the exercise of the Warrants issued pursuant to this Agreement in accordance with its terms.

4.2 Piggyback Registration Rights. Each Purchaser and the Company agree that the Purchasers shall be entitled to the registration rights with respect to the Securities as set forth in this Section 4.2.

(a) Definition of Registrable Securities. As used in this Section 4.2, the term "Registrable Security" means each of the shares of Common Stock which may be issued upon the exercise of the Warrants; provided, however, that with respect to any particular Registrable Security, such security shall cease to be a Registrable Security when, as of the date of determination; (A) it has been and remains effectively registered under the Securities Act and disposed of pursuant thereto; (B) in the opinion of counsel to the Company, registration under the Securities Act is no longer required for subsequent public distribution of such security pursuant to Rule 144 promulgated under the Securities Act, or otherwise; or

(C) it has ceased to be outstanding. The term "Registrable Securities" means any and all of the securities falling within the foregoing definition of "Registrable Security." In the event of any merger, reorganization, consolidation, recapitalization or other change in corporate structure affecting the Common Stock, such adjustment shall be made in the definition of "Registrable Security" as is appropriate to prevent any dilution or increase of the rights granted pursuant to this clause (a) as determined in good faith by the Board of Directors.

(b) Piggyback Registration Rights. As used herein, a "Registration Statement" shall mean any registration statement filed by the Company with the Commission under the Securities Act at any time or from time to time while any Registrable Securities remain outstanding; provided, however, that a Registration Statement for the purposes hereof shall not include: (A) any registration statement (or amendment thereto) filed by the Company in respect of a rights offering to be undertaken by the Company and completed within 150 days of the Closing; (B) a registration relating to employee benefit plans (whether effected on Form S-8 or its successor); or (C) a registration effected on Form S-4 (or its successor). If at any time or from time to time while any Registrable Securities remain outstanding, the Company shall determine to register or shall be required to register any of its Common Stock, other than pursuant to a Registration Statement excluded from the definition of "Registration Statement" set forth in the preceding sentence, whether or not for its own account, the Company shall:

(i) provide to each Purchaser written notice thereof at least ten days prior to the filing of the Registration Statement by the Company in connection with such registration;

(ii) include in such registration, and in any underwriting involved therein, all those Registrable Securities specified in a written request by each Purchaser received by the Company within five days after the Company mails the written notice referred to above. The Company may withdraw the registration at any time. If a registration covered by this Section 4.2 is an underwritten registration on behalf of the Company, and the underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company shall include in such registration: (1) first, the securities the Company proposes to sell, (2) second, the Registrable Securities and other securities requested to be included in such registration, pro rata among the selling Purchasers and any other selling security holders on the basis of the number of shares owned by each such Purchaser and other selling security holder. The Purchasers' right to have Registrable Securities included in the first registration statement filed by the Company may be deferred to the second registration statement filed by the Company, which deferral may be continued to the third or subsequent registration statement so long as the registration statements are pursuant to underwritten offerings and the underwriter determines in good faith that marketing factors require exclusion of some or all of the Registrable Securities held by the Purchasers, but such deferral shall be only to the extent of such required exclusion as determined by the underwriter; and

(iii) if the registration is an underwritten registration, each Purchaser of Registrable Securities shall enter into an underwriting agreement in customary form with the underwriter and provide such information regarding Purchaser that the underwriter shall reasonably request in connection with the preparation of the prospectus describing such offering, including completion of FINRA Questionnaires.

(c) Covenants with Respect to Registration. In connection with the registration in which the Registrable Securities are included, the Company and Purchaser covenant and agree as follows:

(i) The foregoing registration rights shall be contingent on the Purchasers furnishing the Company with such appropriate information as the Company shall reasonably request,

including (A) such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably required to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request. At least seven days prior to the first anticipated filing date of any Registration Statement, the Company shall notify each Purchaser of the information the Company requires from such Purchaser if such Purchaser elects to have any of the Registrable Securities included in the Registration Statement. A Purchaser shall provide such information to the Company at least two (2) Business Days prior to the first anticipated filing date of such Registration Statement if it elects to have any of the Registrable Securities included in the Registration Statement. Each Purchaser agrees to furnish to the Company a completed selling security holder questionnaire (a "Questionnaire") in the form provided to it by the Company not less than two Business Days prior to the filing date of such Registration Statement. The Company shall not be required to include the Registrable Securities of a Purchaser in a Registration Statement and shall not be required to pay any damages to such Purchaser who fails to furnish to the Company a fully completed Questionnaire at least two Business Days prior to the filing date. The Company may require each selling Purchaser to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by it and, if required by the Commission, the natural persons thereof that have voting and dispositive control over its shares of Common Stock.

(ii) Each Purchaser, by its acceptance of the Registrable Securities agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of a Registration Statement hereunder, unless such Purchaser has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement. Each Holder agrees that, upon receipt of any notice from the Company that it must suspend sales of Common Stock pursuant to the Registration Statement, it will immediately discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities, until the Purchaser is advised by the Company that such dispositions may again be made.

(iii) Each Purchaser covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to a Registration Statement.

(iv) The Company shall indemnify each Purchaser of Registrable Securities to be sold pursuant to the registration statement and each person, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, against all loss, claim, damage, expense or liability (including reasonable expenses reasonably incurred in investigating, preparing or defending against any claim) to which any of them may become subject under the Securities Act, the Exchange Act or otherwise, arising from such registration statement, except to the extent arising under paragraph (v) below.

(v) Each Purchaser owning Registrable Securities to be sold pursuant to a registration statement, and their successors and assigns, shall severally, and not jointly, indemnify the Company, its officers and directors and any underwriter, and each person, if any, who controls the Company or such underwriter within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against all loss, claim, damage or reasonable expense or liability (including expenses reasonably incurred in investigating, preparing or defending against any claim) to which they may become subject under the Securities Act, the Exchange Act or otherwise, arising (A) from information furnished by or on behalf of such Purchaser, or their successors or assigns, for inclusion in such registration statement, or (B) as a result of use by the Purchaser of a registration statement that the Purchaser was advised by the Company in writing to discontinue.

4.3 Securities Laws Disclosure.

(a) The Company shall, by 5:30 p.m. (New York City time) on the fourth Trading Day immediately following the date hereof, file a Current Report on Form 8-K disclosing the material terms of the transactions contemplated hereby and including the form of this Agreement as an exhibit thereto.

(b) So long as the Purchasers own any of the Securities, the Company shall continue to timely file all SEC Reports required by the Exchange Act.

4.4 Use of Proceeds. The Company shall use the net proceeds from the sale of the Securities hereunder for general business and working capital purposes, including the payment of a portion of the purchase price of the Company's acquisition of Danya International, LLC (the "Acquisition") or expenses related thereto.

4.5 Transfer Restrictions.

(a) The Subordinated Notes, Warrants and Warrant Shares may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement, to the Company or to an affiliate of a Purchaser or to an entity managed by a Purchaser (provided, in such case the prospective transferee agrees in all such instances in writing to be subject to the terms hereof to the same extent as if he or she were an original Purchaser hereunder), the Company may require the transferor thereof to provide to the Company an opinion of counsel, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement.

(b) The Purchasers agree to the imprinting, so long as is required by this Section 4.5 or applicable securities laws, of a legend on any of the Securities substantially in the following form (and a stop-transfer order may be placed against transfer of such certificates):

> [NEITHER] THIS SECURITY [NOR THE SECURITIES INTO WHICH THIS SECURITY IS [EXERCISABLE]] HAS [NOT] BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

(c) Each Purchaser, severally and not jointly with the other Purchasers, agrees with the Company (i) that such Purchaser will sell any Securities pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and (ii) that if Securities are sold pursuant to a Registration Statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Securities is predicated upon the Company's reliance upon this understanding.

4.6 Rights Offering. The Company agrees to use it best efforts to effectuate a rights offering to its shareholders of at least $2,500,000 of gross proceeds (the "Rights Offering") as soon as practicable after the closing of the Acquisition. Purchaser understands that the final terms of the Rights Offering are subject to market conditions; however, the Company agrees that the exercise price of the purchase rights to be distributed to shareholders in the Rights Offering will not exceed the initial exercise price of the Warrants without the consent of the Purchaser. In the event the Company commences a Rights Offering, the Purchasers (or one or more entities Affiliated with the Purchasers) shall use their commercially reasonable efforts to negotiate and enter into a Standby Purchase Agreement pursuant to which the Purchasers (or their Affiliates) will exercise such number of purchase rights as shall equal, in the aggregate, $2,500,000, less the amount of the aggregate exercise price received by the Company in the Rights Offering from the exercise of the purchase rights by the Company's shareholders other than the Purchasers and their Affiliates; provided, however, that such Standby Purchase Agreement and the obligations of the Purchasers thereunder shall terminate in the event that the Company materially breaches this Agreement or any representation or warranty made by the Company in this Agreement or in the other agreements entered into in connection herewith shall have been incorrect in any material respect when made or deemed made or there has been an Event of Default under the Subordinated Note. The Company acknowledges and agrees that the proceeds from the Rights offering will first be used by the Company to repay all principal and accrued interest on the Subordinated Notes; provided, however, that is such proceeds are less than the aggregate amount of outstanding principal and accrued interest on the Subordinated Notes, the Company shall repay the Subordinated Notes on a pro rata basis.

4.7 Right of First Offer.

(a) Subject to the terms and conditions of this Section 4.7 and applicable securities laws, if at anytime commencing on the Closing and ending on a date which is the earlier of (i) the Accelerated Payment Date of the Subordinated Notes or (ii) the Maturity Date of the Subordinated Notes, the Company proposes to offer or sell any New Securities, the Company shall notify each Purchaser of the proposed terms of the offer of such New Securities. The Company shall give notice (the "Offer Notice") to each Purchaser, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Purchaser may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals up to that portion of such New Securities which equals the proportion that the Common Stock held by such Purchaser Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, convertible securities then held by such Purchaser) bears to the total Common Stock of the Company then outstanding of a fully diluted basis . At the expiration of such twenty (20) day period, the Company shall promptly notify each Purchaser that elects to purchase or acquire all the New Securities available to it (each, a "Fully Exercising Purchaser") of any other Purchaser's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Purchaser may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of New Securities specified above, up to that portion of the New Securities for which Purchasers were entitled to subscribe but that were not subscribed for by the non subscribing Purchasers hereunder. The closing of any sale pursuant to this Section 4.7(b) shall occur within the later of sixty (60) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 4.7(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.7(b), the Company may, during the one hundred eighty (180) day period following the expiration of the periods provided in Section 4.7(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Purchasers in accordance with this Section 4.7.

(d) The right of first offer in this section 4.7 shall not be applicable to any Exempt Issuance as defined in the Warrants.

ARTICLE V
INDEMNIFICATION

5.1 Survival of Representations; Indemnity.

(a) Survival. All representations and warranties herein shall survive the execution and delivery of this Agreement and the payment by each of the Purchasers of his, her or its Subscription Amount for a period of 18 months from the Closing Date.

(b) Indemnification.

(i) The Company agrees to indemnify and hold harmless each Purchaser, its Affiliates, each of their officers, directors, employees and agents and their respective successors and assigns, from and against any losses, damages, or expenses which are caused by or arise out of (A) any breach or default in the performance by the Company of any covenant or agreement made by the Company in the this Agreement or in the other Transaction Agreements; (B) any breach of warranty or representation made by the Company in this Agreement or in the other Transaction Agreements; and (C) any and all actions, suits, proceedings, claims, demands, judgments, costs and expenses (including reasonable legal fees and expenses) incident to any of the foregoing.

(ii) Each Purchaser agrees to indemnify and hold harmless the Company, its Affiliates, each of their officers, directors, employees and agents and their respective successors and assigns, from and against any losses, damages, or expenses which are caused by or arise out of: (A) any breach or default in the performance by such Purchaser of any covenant or agreement made by such Purchaser in this Agreement or in the other Transaction Agreements; (B) any breach of warranty or representation made by such Purchaser in this Agreement or in the other Transaction Agreements; and (C) any and all actions, suits, proceedings, claims, demands, judgments, costs and expenses (including reasonable legal fees and expenses) incident to any of the foregoing.

ARTICLE VI
GENERAL

6.1 Termination. If the Closing has not been consummated on or before May 15, 2016, this Agreement may be terminated (a) by any Purchaser (except where any such Purchaser is in breach of this Agreement or has failed to perform or satisfy any closing condition applicable to it), as to such Purchaser's obligations hereunder only and without any effect whatsoever on the obligations between the Company and

the other Purchasers, or (b) by the Company (except for any breach by it or failure to perform or satisfy any closing condition applicable to it), by written notice to the other parties; provided, however, that such termination will not affect the right of any non-breaching party to sue or seek specific performance for any breach by any other party (or parties). If the proposed Acquisition has been terminated or abandoned prior to the Closing, this Agreement may be terminated by any Purchaser or by the Company.

6.2 Confidentiality. The Purchasers acknowledge that due to certain of the covenants contained herein or in the Subordinated Note, from time to time the Purchasers may come into possession of confidential information of the Company, including material, non-public information relating to the Company. The Purchasers hereby agree that (i) they shall keep all such information strictly confidential, applying, at a minimum, the same degree of care as it does to protect its own confidential information of a similar nature; (ii) shall only use such information in connection with the transactions contemplated by this Agreement; and (iii) shall not disclose any of such information other than: (a) to the Purchaser's employees, representatives, directors, attorneys, auditors, or Affiliates who are advised of the confidential nature of such information (so long as any of the foregoing persons agree to be bound by the provisions of this Section), (b) to the extent such information presently is or hereafter becomes available on a non-confidential basis from any source of such information that is in the public domain at the time of disclosure, (c) to the extent disclosure is required by law (including applicable securities law), regulation, subpoena or judicial order or any administrative body or commission to whose jurisdiction the Purchasers are subject (provided that notice of such requirement or order shall be promptly furnished to the Company in advance of such disclosure), (d) to assignees or participants or prospective assignees or participants who agree to be bound by the provisions of this Section, or (e) with the Company's prior written consent. The Purchasers agree to be responsible for any breach of this agreement by any of the persons identified in Section 6.2(iii). The Purchasers are aware that, under certain circumstances, the United States securities laws may prohibit a Person who has received material, non-public information from an issuer from purchasing or selling securities of such issuer or from communicating such information to any other Person under circumstances in which it is reasonably foreseeable that such other Person is likely to purchase or sell such securities.

6.3 Amendments; Waivers. No provision of this Agreement may be amended or waived except in a written instrument signed, (i) in the case of an amendment, by the Company and a Majority in Interest, or (ii) in the case of a waiver, by the party against whom enforcement of any such waiver is sought; provided that, in the case of waiver by or on behalf of all of the Purchasers, such written instrument shall be signed by Purchasers representing a Majority in Interest; and provided, further that that any amendment that would (i) change the maturity of the principal of or any installment of interest on any of the Subordinated Notes, (ii) reduce the principal amount of, or any premium or interest on any Subordinated Note, (iii) reduce the percentage in aggregate principal amount of Subordinated Notes outstanding necessary to modify or amend the Subordinated Notes; or (iv) modify this Section 6.3 shall, in each case, require the approval of the holder of each Purchaser to which such amendment shall apply. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

6.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address referred to in this Section 6.4 prior to 5:00 p.m. (Eastern time) on a Business Day, (b) the next Business Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail at the facsimile number or e-mail address referred to in this Section 6.4 on a day that is not a Business Day or later than 5:00 p.m. (Eastern time) on any Business Day, (c) the Business

Day following the date of deposit with a nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The addresses, facsimile numbers and e-mail addresses for such notices and communications are those set forth on the signature pages hereof, or such other address, facsimile number or e-mail address as may be designated in writing hereafter, in the same manner, by the relevant party hereto.

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

6.6 Entire Agreement. This Agreement, together with the Subordinated Notes and Warrants contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such agreements and exhibits. At or after the Closing, and without further consideration, the parties hereto will make, do and execute and deliver, or cause to be made, done and executed and delivered, such further acts, deeds, assurances, documents and things as may be reasonably requested by any of the other parties hereto in order to give practical effect to the intention of the parties hereunder.

6.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

6.8 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person or entity.

6.9 Governing Law; Venue. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO HEREBY IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL OR STATE COURTS OF THE CITY OF NEW YORK IN THE STATE OF NEW YORK FOR THE ADJUDICATION OF ANY DISPUTE BROUGHT BY ANY OF THE PARTIES HERETO, IN CONNECTION HEREWITH OR WITH ANY TRANSACTION CONTEMPLATED HEREBY OR DISCUSSED HEREIN (INCLUDING WITH RESPECT TO THE ENFORCEMENT OF THE SECURITY AGREEMENT), AND HEREBY IRREVOCABLY WAIVE, AND AGREE NOT TO ASSERT IN ANY SUIT, ACTION OR PROCEEDING BROUGHT BY ANY OF THE OTHER PARTIES HERETO, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF ANY SUCH COURT OR THAT SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER.

6.10 Execution. This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts (including by facsimile or e-mail transmission), all of which when taken together shall be considered one and the same agreement. In the event that any signature is delivered by facsimile transmission or e-mail attachment, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or e-mail-attached signature page were an original thereof.

6.11 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and

enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

6.12 Interpretation. The parties agree that each of them and/or their respective counsel has reviewed and had an opportunity to revise this Agreement and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto. In addition, each and every reference to share prices and shares of capital stock in this Agreement shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement. The word "including", whenever used in this Agreement, shall be deemed to be followed by the phrase "without limitation".

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

DLH HOLDINGS CORP.

Address for Notice:
DLH Holdings Corp.
3565 Piedmont Road, NE
Building 3, Suite 700
Atlanta, GA 30305
Attn: Chief Executive Officer

By: /s/ Zachary C. Parker
Name: Zachary C. Parker
Title: Chief Executive Officer and President

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

Becker & Poliakoff, LLP
45 Broadway, 8th Floor
New York, NY 10006
Attn: Michael Goldstein
Fax: 212-557-0295

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOR PURCHASER FOLLOWS]

Purchaser Signature Page

By his, her or its execution and delivery of this signature page, the Purchaser hereby joins in and agrees to be bound by the terms and conditions of the Purchase Agreement (the "Purchase Agreement"), by and among DLH HOLDINGS CORP., the Purchasers (as defined therein) and authorizes this signature page to be attached to the Purchase Agreement or counterparts thereof.

Name of Purchaser: **Wynnefield Small Cap Value Offshore Fund Ltd**

Signature of Authorized Signatory of Purchaser: /s/ Nelson Obus

Name of Authorized Signatory: /s/ Nelson Obus

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

EIN Number: _____

Address for Notices to Purchaser: _____
_____
_____
_____

Address for Delivery of certificated Securities for Purchaser (if not same as address for notices):

_____
_____
_____

Subscription Amount: $500,000.00

Securities Purchased, comprised of:

Principal Amount of Notes: $500,000.00

No. of Common Stock Warrants: 10,724

Purchaser Signature Page

By his, her or its execution and delivery of this signature page, the Purchaser hereby joins in and agrees to be bound by the terms and conditions of the Purchase Agreement (the "Purchase Agreement"), by and among DLH HOLDINGS CORP., the Purchasers (as defined therein) and authorizes this signature page to be attached to the Purchase Agreement or counterparts thereof.

Name of Purchaser: **Wynnefield Partners Small Cap Value, LP**

Signature of Authorized Signatory of Purchaser: _/s/ Nelson Obus_____

Name of Authorized Signatory: ___/s/ Nelson Obus_____

Title of Authorized Signatory: _____

Email Address of Authorized Signatory:_____

Facsimile Number of Authorized Signatory: _____

EIN Number: _____

Address for Notices to Purchaser: _____
_____
_____
_____

Address for Delivery of certificated Securities for Purchaser (if not same as address for notices):

_____
_____
_____

Subscription Amount: $800,000.00

Securities Purchased, comprised of:

Principal Amount of Notes: $800,000.00

No. of Common Stock Warrants: 17,694

Purchaser Signature Page

By his, her or its execution and delivery of this signature page, the Purchaser hereby joins in and agrees to be bound by the terms and conditions of the Purchase Agreement (the "Purchase Agreement"), by and among DLH HOLDINGS CORP., the Purchasers (as defined therein) and authorizes this signature page to be attached to the Purchase Agreement or counterparts thereof.

Name of Purchaser: **Wynnefield Small Cap Value LP, I**

Signature of Authorized Signatory of Purchaser: /s/ Nelson Obus

Name of Authorized Signatory: /s/ Nelson Obus

Title of Authorized Signatory: _____

Email Address of Authorized Signatory: _____

Facsimile Number of Authorized Signatory: _____

EIN Number: _____

Address for Notices to Purchaser: _____
_____
_____
_____

Address for Delivery of certificated Securities for Purchaser (if not same as address for notices):

_____
_____
_____

Subscription Amount: $1,200,000.00

Securities Purchased, comprised of:

Principal Amount of Notes: $1,200,000.00

No. of Common Stock Warrants: 25,201

SCHEDULE A

ACCREDITED INVESTOR CERTIFICATE

This Accredited Investor Certificate is being delivered to the Company pursuant to the Purchase Agreement. Capitalized terms used in this Accredited Investor Certificate, but not defined herein, have the respective meanings attributed to such terms in the Purchase Agreement. Investor agrees to furnish any additional information the Company deems necessary in order to verify the information provided below.

The Purchaser hereby acknowledges that the Company is relying on this Accredited Investor Certificate to determine the Purchaser's suitability for investment in the Loan and investment, if any, in the Securities pursuant to the Securities Purchase Agreement (collectively, the "Investment") and hereby represents and warrants and certifies that, as of the Closing, the Purchaser:

Category I ☐ The Purchaser is an individual (not a partnership, corporation, etc.) whose individual net worth, or joint net worth with his or her spouse, presently exceeds $1,000,000 (excluding the value of such Purchaser's principal residence).

Category II ☐ The Purchaser is a corporation, partnership, business trust or a non profit organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, that was not formed for the specific purpose of acquiring the securities offered and that has total assets in excess of $5,000,000.

Category III ☐ The Purchaser is an individual (not a partnership, corporation, etc.) who reasonably expects an individual income in excess of $200,000 in the current year and had an individual income in excess of $200,000 in each of the last two years (including foreign income, tax exempt income and the full amount of capital gains and losses but excluding any income of the Purchaser's spouse or other family members and any unrealized capital appreciation);

Or

☐ The Purchaser is an individual (not a partnership, corporation, etc.) who, together with his or her spouse, reasonably expects joint income in excess of $300,000 for the current year and had joint income in excess of $300,000 in each of the last two years (including foreign income, tax exempt income and the full amount of realized capital gains and losses).

Category IV ☐ The Purchaser is a director or executive officer of the Company.

Category V ☐ The Purchaser is a bank, savings and loan association or credit union, insurance company, registered investment company, registered business development company, licensed small business investment company, or employee benefit plan within the meaning of Title 1 of ERISA whose plan fiduciary is either a bank, insurance company or registered investment advisor or whose total assets exceed $5,000,000.

Describe entity: _____

Category VI ☐ The Purchaser is a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940.

Category VII ☐ The Purchaser is a trust with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (a person who either alone or with his or her purchaser representative(s) has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment). A copy of the declaration of trust or trust agreement and a representation as to the sophistication of the person directing purchases for the trust is enclosed.

Category VIII ☐ The Purchaser is a self directed employee benefit plan for which all persons making investment decisions are "accredited investors" within one or more of the categories described above.

Category IX ☐ The Purchaser is an entity in which all of the equity owners are "accredited investors" within one or more of the categories described above. If relying upon this category alone, each equity owner must complete a separate copy of this agreement.

Describe entity: _____

_____

Category X ☐ The Purchaser does not come within any of the Categories I – IX set forth above.

EXHIBIT A

FORM OF SUBORDINATED NOTE

EXHIBIT B

FORM OF WARRANT

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT dated as of May 2, 2016 (this "Agreement"), is entered into among (i) DLH HOLDINGS CORP. a New Jersey corporation (the "Company"), (ii) FIFTH THIRD BANK, an Ohio banking corporation ("Senior Lender") and (iii) WYNNEFIELD PARTNERS SMALL CAP VALUE, LP and WYNNEFIELD PARTNERS SMALL CAP VALUE, LP I and WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND, LTD (collectively, the "Subordinated Lender").

RECITALS

A. The Senior Lender and the Company have entered into a Loan Agreement of even date herewith (as from time to time amended, modified, extended, renewed, refinanced, or restated, the "Loan Agreement"), together with the Senior Notes, Senior Security Agreement, Senior Pledge Agreement and the other Loan Documents (each as defined in the Loan Agreement if not otherwise defined herein), whereby the Senior Lender has made and shall make available to the Company certain loans and other financial accommodations therein set forth. All of the Company's obligations under the Senior Loan Documents (as hereinafter defined) are secured by assignments of and security interests in substantially all of the now or hereafter acquired assets of the Company, all as more fully set forth in the Senior Loan Documents.

B. The Company has issued 4% Subordinated Notes dated as of May 2, 2016, and maturing on May 2, 2021 in favor of Subordinated Lender in the aggregate principal amount of Two Million Five Hundred Thousand and 00/100 Dollars ($2,500,000) (collectively, the "Subordinated Note", together with all guarantees and other documents or instruments executed in connection therewith (as from time to time modified, extended, renewed, refinanced or restated to the extent permitted by the terms of this Agreement, collectively the "Subordinated Documents")).

C. As a condition of the financing accommodations under the Loan Agreement and the Loan Documents, the parties hereto are required to enter into this Agreement to establish the relative rights and priorities of the Senior Lender and the Subordinated Lender under the Senior Loan Documents and the Subordinated Documents.

D. The Subordinated Lender will benefit from the financing accommodations made by the Senior Lender under the Loan Agreement and the Loan Documents. The Subordinated Lender and the Company desire to enter into this Agreement in order to induce the Senior Lender to continue to enter into the Loan Agreement. The Subordinated Lender acknowledges that the Senior Lender would not enter into the Senior Loan Documents but for the execution of this Agreement.

In consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. Definitions. Except as otherwise provided herein, all capitalized terms used in this Agreement shall have the meanings ascribed to such terms in the Loan Agreement, provided that the following terms shall have the meanings set forth below:

"Bankruptcy Code" means Title 11 of the United States Code (11 U.S.C. § 101 et. seq.) or any replacement or supplemental federal statute dealing with the bankruptcy of debtors.

"Company" shall have the meaning set forth in the recitals hereof.

"Company Property" means all assets, property and property rights, of any kind or nature, tangible or intangible, now or hereafter existing, in which the Company or any Obligor owns, asserts or maintains an interest.

"Finally Paid" or "Final Payment," when used in connection with the Senior Indebtedness means the full and indefeasible payment in cash of all of the Senior Indebtedness and the irrevocable termination of the Revolving Commitment of the Lender under the Senior Loan Documents.

"Liens" means any mortgage, deed of trust, pledge, lien, security interest, charge, set-off right or other encumbrance, whether now existing or hereafter created, acquired or arising.

"Loan Agreement" shall have the meaning set forth in the recitals hereof.

"Obligor" means any guarantor or obligor of any Senior Indebtedness.

"Proceeding" means any voluntary or involuntary proceeding commenced by or against the Company or any Obligor under any provision of the Bankruptcy Code, or under any other bankruptcy or insolvency law, including assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with its creditors, or proceedings seeking dissolution, receivership, reorganization, arrangement, or other similar relief.

"Senior Indebtedness" means all obligations, liabilities and indebtedness of every nature of the Company or any Obligor from time to time owed to the Senior Lender under the Senior Loan Documents, including the principal amount of the Senior Notes, all debts, claims and indebtedness, accrued and unpaid interest and all premium, fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a Proceeding, including any Bank Product Obligations at any time due and owing to Senior Lenders, together with (a) any indebtedness which refinances such principal, interest or other obligations and any amendments, modifications, renewals, restatements, refinancings or extensions thereof to the extent not prohibited by the terms of this Agreement and (b) any interest accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest is allowed in any Proceeding. Senior Indebtedness shall be deemed to be outstanding until it is Finally Paid.

"Senior Lenders" means The PrivateBank and Trust Company, an Illinois banking corporation, or any other Person appointed by the holders of the Senior Indebtedness as administrative agent for purposes of the Senior Loan Documents and this Agreement, together with the successors and assigns of all of the foregoing.

"Senior Loan Documents" means the Loan Agreement, Senior Notes, Senior Pledge Agreement, Senior Security Agreement, the Loan Documents and all other agreements, documents and instruments executed from time to time in connection therewith, in each case as from time to time renewed, extended, amended, restated or modified and all agreements and instruments evidencing full or partial refundings or refinancings of the indebtedness thereunder.

"Senior Pledge Agreement" means that certain Pledge Agreement of even date herewith made by Company in favor of Senior Lender.

"Senior Notes" means that certain Term Note of even date herewith, executed by the Company and made payable to the order of Senior Lender in the principal amount of $25,000,000 and that certain Revolving Line of Credit Note of even date herewith, executed by the Company and made payable to the order of Senior Lender in the principal amount of $10,000,000.

"Senior Security Agreement" means that certain Pledge Agreement of even date herewith made by Company in favor of Senior Lender.

"Subordinated Indebtedness" means all obligations, liabilities and indebtedness of every nature of the Company or any Obligor from time to time owed to Subordinated Lender under the Subordinated Documents, including the principal amount of the Subordinated Note, all debts, claims and indebtedness, accrued and unpaid interest and all premium, fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a Proceeding (including any amounts payable by the Company or any Obligor in connection with put, redemption, repurchase or repurchase rights under any warrants or any other Capital Securities of the Company or any Obligor held by Subordinated Lender), together with (a) any amendments, modifications, renewals, restatements, refinancings or extensions thereof and (b) any interest accruing thereon after the commencement of a Proceeding, without regard to whether or not such interest is allowed in any Proceeding.

"Subordinated Lender Remedies" means any action (a) to take from or for the account of the Company, any Obligor, any other guarantor of the Subordinated Indebtedness or any other Person, by set-off or in any other manner, the whole or any part of any moneys which may now or hereafter be owing by the Company (other than receipt of payments of Subordinated Indebtedness to the extent permitted by Section 6 of this Agreement), any Obligor, any such guarantor or any other Person with respect to the Subordinated Indebtedness, (b) to sue for payment of, or to initiate or participate with others in any suit, action or proceeding (including any Proceeding) against the Company, any Obligor, any such guarantor or any other Person to (i) enforce payment of or to collect the whole or any part of the Subordinated Indebtedness or (ii) commence judicial enforcement of any of the rights and remedies under the Subordinated Documents or applicable law with respect to the Subordinated Indebtedness, (c) to accelerate the Subordinated Indebtedness, (d) to exercise any put, repurchase or similar option or to cause the Company, any Obligor, any such guarantor or any other Person to honor any redemption or mandatory prepayment obligation under any Subordinated Document or (e) to take any action under the provisions of any state or federal law, including the UCC, or under any contract or agreement, to enforce, foreclose upon, take possession of or sell any Company Property or any

property or assets of any such guarantor or any other Person (other than to the extent receipt of payments of Subordinated Indebtedness is permitted by Section 6 of this Agreement).

"Subordinated Lender" shall have the meaning set forth in the recitals hereof.

"Subordinated Note" shall have the meaning set forth in the recitals hereof.

"Subordinated Note Purchase Agreement" means that certain Note Purchase Agreement, dated as of May 2, 2016, between the Subordinated Lender and the Company, pursuant to which the Subordinated Lender purchased the Subordinated Note.

"UCC" means Article 9 of the Uniform Commercial Code, as in effect in any relevant jurisdiction.

2. Subordination of Subordinated Indebtedness to Senior Indebtedness. Except as set forth in Section 6 hereof, the Company covenants and agrees, and Subordinated Lender by its acceptance of the Subordinated Documents (whether upon original issue or upon transfer or assignment) likewise covenants and agrees, notwithstanding anything to the contrary contained in any of the Subordinated Documents, that the payment of any and all of the Subordinated Indebtedness shall be subordinate and subject in right and time of payment, to the extent and in the manner hereinafter set forth, to the Final Payment of all Senior Indebtedness. Each holder of Senior Indebtedness, whether now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired Senior Indebtedness in reliance upon the provisions contained in this Agreement.

3. Subordination of Liens.

(a) Subordinated Lender hereby covenants and agrees that any Liens and rights of any kind Subordinated Lender may now have and hereafter acquire (or be deemed to now have or hereafter acquire) against the Company or any Obligor and/or any Company Property, if any, shall be subordinate and subject to the Liens and rights against the Company, Obligors and/or Company Property of the Senior Lender arising from or out of the Senior Indebtedness, regardless of the order, time or manner in which any Liens attach to or are perfected in any Company Property.

(b) If (x) the Company or any Obligor, as the case may be, desires to make any distribution or payment or to sell any Company Property as to which the Senior Lender has provided its written consent or which is otherwise permitted under the Senior Loan Documents or (y) the Senior Lender releases its Lien in connection with any sale or disposition of any Company Property, the Subordinated Lender shall be deemed to have consented to such disposition and shall execute such releases with respect to such Company Property to be sold as the Senior Lender requests to evidence the release of any Lien against such property the Subordinated Lender may have or be deemed to have. Subordinated Lender hereby irrevocably appoints the holder of the Senior Indebtedness as the true and lawful attorneys of the Subordinated Lender for the purpose of executing and filing any such releases. Subordinated Lender hereby waives any rights Subordinated Lender has or may have in the future to object to the appointment of a receiver for all or any portion of the equity or the assets of the Company or any Obligor or to require Senior Lender to

marshal the collateral and agrees that Senior Lender may proceed against the collateral in any order that it deems appropriate in the exercise of its absolute discretion.

4. Warranties and Representations of Company and Subordinated Lender.

(a) The Company and Subordinated Lender hereby severally represent and warrant to the Senior Lender that Senior Lender has been furnished with a true and correct copy of all instruments, documents, agreements and securities evidencing or pertaining to the Subordinated Indebtedness.

(b) The Company hereby represents and warrants to the Senior Lender that this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies and general principles of equity.

(c) Subordinated Lender represents and warrants to the Senior Lender: (i) that this Agreement has been duly executed and delivered by Subordinated Lender and constitutes a legal, valid and binding obligation of Subordinated Lender enforceable against Subordinated Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws from time to time in effect affecting generally the enforcement of creditors' rights and remedies and general principles of equity; (ii) that Subordinated Lender has not relied and shall not rely on any representation or information of any nature made by or received from Senior Lender relative to the Company or any Obligor in deciding to execute this Agreement or to permit it to continue in effect; and (iii) that Subordinated Lender is the current holder of the Subordinated Indebtedness.

(d) Notwithstanding anything contained in this Agreement to the contrary, Subordinated Lender hereby represents and warrants to the Senior Lender and the Company that Subordinated Lender has no security interest in or Lien on any assets of the Company or any Obligor or any Company Property.

5. Negative Covenants. Until all of the Senior Indebtedness has been Finally Paid: (A) the Subordinated Lender shall not demand, accept or acquire from the Company or any Obligor any security interest in or Lien on any assets of the Company or any Obligor or any Company Property, nor any collateral from the Company or any Obligor; (B) the Company shall not discharge the Subordinated Indebtedness other than in accordance with the terms of the Subordinated Documents and of this Agreement; (C) the Subordinated Lender shall not demand or accept from the Company, any Obligor or other Person any consideration which would result in a discharge of the Subordinated Indebtedness other than in accordance with the terms of the Subordinated Documents; (D) the Subordinated Lender shall not hereafter give any subordination in respect of the Subordinated Indebtedness; and (E) the Company shall not hereafter issue any instrument, security or other writing evidencing any part of the Subordinated Indebtedness, and the Subordinated Lender shall not receive any such writing, except upon the condition that such

security shall bear the legend referred to in Section 25 below and a true copy thereof shall be thereupon promptly furnished to the Senior Lender.

6. Permitted Payments. Provided that no Event of Default hereunder or under the Loan Agreement has occurred and is continuing, or will occur with the giving of notice, the passage of time, or both at the time a payment is scheduled to be made, interest and principal due under the Subordinated Note may be paid prior to maturity in the event the Company engages in an equity financing which results in the Company receiving funds in an amount sufficient to pay all principal and outstanding interest due and owing under the Wynnefield Subordinated Note including, but not limited to, the rights offering contemplated by the Subordinated Note Purchase Agreement between the Subordinated Lender and the Company, or upon maturity, in each case regardless of whether or not the Senior Indebtedness has been Finally Paid. Notwithstanding the forgoing, if any Event of Default or unmatured Event of Default has occurred and is continuing under the Loan Agreement or the Loan Documents or would occur as a result of any payments or distributions, including, without limitation, payments or distributions with respect to the Subordinated Indebtedness, each of Company and Subordinated Lender agree that any payments or distributions with respect to the Subordinated Indebtedness will be suspended until the Senior Indebtedness has been Finally Paid, the Senior Lender determine in its sole discretion that such Event of Default or unmatured Event of Default has been cured (if capable of being cured) or the Senior Lender has otherwise provide its written consent to the making of such payment or distribution.

7. Forbearance of Legal Remedies.

(a) Until the Senior Indebtedness is Finally Paid, the Subordinated Lender shall not, without the prior written consent of the Senior Lender, exercise any Subordinated Lender Remedies.

(b) Notwithstanding anything contained herein to the contrary or any rights or remedies available to the Subordinated Lender under any of the Subordinated Documents, applicable law or otherwise, prior to the time that the Senior Indebtedness has been Finally Paid, any payments, distributions or other proceeds obtained by Subordinated Lender from the exercise of any Subordinated Lender Remedies shall in any event be held in trust by it for the benefit of the Senior Lender and promptly paid or delivered to the Senior Lender in the form received except to the extent the same is permitted to be paid to and kept by the Subordinated Lender in accordance with Section 6 hereof..

8. Dissolution, Liquidation, Reorganization or Bankruptcy.

(a) In the event of any Proceeding involving the Company or any Obligor:

(i) all Senior Indebtedness shall be Finally Paid before the Subordinated Lender shall be entitled to receive any payment on account of any Subordinated Indebtedness; and

(ii) any payment or distribution of assets of such Person of any kind or character, whether in cash, property or securities, to which the Subordinated Lender would be entitled except for these provisions, shall be paid by the liquidating trustee

or agent or other Person making such payment or distribution directly to the Senior Lender, to the extent necessary to make Final Payment of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution or provision therefor to the holders of such Senior Indebtedness. Subordinated Lender irrevocably authorizes, empowers and directs any debtor, debtor-in-possession, receiver, trustee or agent or other Person having authority, to pay or otherwise deliver all such payments or distributions to Senior Lender.

(b) Until the Senior Indebtedness has been Finally Paid, if a Proceeding shall occur and be continuing, the Subordinated Lender shall file all claims they may have against the Company or any Obligor, and shall direct the debtor in possession or trustee in bankruptcy, as appropriate, to pay over to the Senior Lenders all amounts due to the Subordinated Lender on account of the Subordinated Indebtedness until the Senior Indebtedness has been Finally Paid. If the Subordinated Lender fails to file and/or vote such claims prior to 30 days before the expiration of time to do so, the Senior Lender may (but shall have no obligation to) file and/or vote such claims in the Subordinated Lender's name on behalf of the Senior Lender. If the Senior Lender vote any such claim in accordance with the authority granted hereof, the Subordinated Lender shall not be entitled to withdraw or change such vote.

(c) Subordinated Lender agrees, in connection with any such Proceeding, that while it shall retain the right to vote and otherwise act in any such proceeding (including the right to vote to accept or reject any plan of partial or complete liquidation, reorganization, arrangement, composition or extension), it will not take any action or vote in any way so as to (i) contest the validity of the Liens securing the Senior Indebtedness, (ii) contest the enforceability of any of the Senior Loan Documents, (iii) contest the Senior Lender' priority position over the Subordinated Lender created by this Agreement or (iv) take any position or action which would have directly or indirectly any of the following effects: (A) extension of the final maturity of and/or forgiveness, reduction or cram-down of the Senior Indebtedness or deferral of any required payment in respect of Senior Indebtedness, (B) opposing or objecting to initiatives or claims by the Senior Lender for adequate protection or relief from the automatic stay, use of cash collateral or super-priority expense of administration for failure of adequate protection, (C) challenging in any respect treatment of the Senior Indebtedness as a first priority perfected fully secured claim, (D) blocking current payment of any obligation in respect of Senior Indebtedness, (E) assenting to or supporting any requested extension of the exclusivity period for the submission by Company of any plan of reorganization or liquidation under the Bankruptcy Code unless such extension is assented to or supported by the Senior Lender; and (F) opposing or objecting to any sale or lease of any Company Property that has been consented to by the holders of Senior Indebtedness. In the event of any violation of any provisions of this section by Subordinated Lender, the Senior Lender may in the name of the Subordinated Lender, or in its own name thereafter amend, modify or rescind any such prior act taken or vote issued, in violation of this Agreement.

(d) Until the Senior Indebtedness has been Finally Paid, if a Proceeding shall occur and be continuing, the Subordinated Lender hereby (i) expressly consents to Senior Lender' providing post-petition financing to the Company or any Obligor or the granting

by the Company or any Obligor to Senior Lender of senior liens and priorities in connection therewith and/or the use of cash collateral and (ii) agrees that adequate notice of such financing or cash collateral usage to the Subordinated Lender shall have been provided if the Subordinated Lender received notice in accordance with Section 16 hereof 2 Business Days prior to the entry of any order approving such financing or cash collateral usage.

(e) If Subordinated Lender has or at any time acquires any Lien securing any Subordinated Indebtedness, Subordinated Lender agrees not to (i) initiate any proceeding involving the marshalling of any of Company Property (whether in a Proceeding or otherwise) or (ii) assert any right it may have to "adequate protection" of its interest, if any, in such security in any Proceeding and agrees that it will not seek to have the automatic stay lifted with respect to such security, in each case without the prior written consent of the Senior Lender. Subordinated Lender waives any claim or defense Subordinated Lender may now or hereafter have arising out of the election by Senior Lender in any Proceeding instituted under Chapter 11 of the Bankruptcy Code of any use of cash collateral, any borrowing or any grant of a security interest under Sections 363 and/or 364 of the Bankruptcy Code by the Company or any Obligor, as debtor-in-possession. Subordinated Lender agrees that it will not object to or oppose a sale or other disposition of any property securing all or any part of the Senior Indebtedness free and clear of any Liens or other claims of Subordinated Lender under Section 363 of the Bankruptcy Code if the Senior Lender have consented to such sale or disposition. Subordinated Lender further agrees that it will not seek to participate on any creditors committee in respect of the Subordinated Indebtedness without the Senior Lender's prior written consent. To the extent that Senior Lender receives payments on, or proceeds of collateral for, the Senior Indebtedness which are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law, or equitable cause, then as between Senior Lender and Subordinated Lender hereunder, to the extent of such payment or proceeds received, the Senior Indebtedness, or part thereof, intended to be satisfied shall be revived and continue in full force and effect as if such payments or proceeds had not been received by Senior Lender.

9. Obligation of Company Unconditional. Nothing contained herein or in the Senior Loan Documents is intended to or shall impair, as between the Company and the Subordinated Lender only, the obligation of the Company, which is absolute and unconditional, to pay to the Subordinated Lender the Subordinated Indebtedness as and when the same shall become due and payable in accordance with their terms, or to affect the relative rights of the Subordinated Lender and creditors of the Company other than the Senior Lender.

10. Subordination Rights Not Impaired by Acts or Omissions of the Company or Holders of Senior Indebtedness.

(a) No right of any present or future holders of any Senior Indebtedness to enforce the subordination provisions as provided herein shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company; by any act or failure to act by any such holder; by any act or failure to act by any other holder of the Senior Indebtedness; or by any noncompliance by the Company with the terms hereof,

regardless of any knowledge thereof which any such holder may have or be otherwise charged with. The Subordinated Lender shall not be released, nor shall the Subordinated Lender's obligation hereunder be in anyway diminished, by any of the following: (i) the exercise or the failure to exercise by Senior Lender of any rights or remedies conferred on it or them under the Senior Loan Documents hereunder or existing at law or otherwise, or against any Company Property; (ii) the commencement of an action at law or the recovery of a judgment at law against the Company or any Obligor for the performance of the Senior Indebtedness and the enforcement thereof through levy or execution or otherwise; (iii) the taking or institution or any other action or proceeding against the Company or any Obligor; (iv) any delay in taking, pursuing, or exercising any of the foregoing actions, rights, powers, or remedies (even though requested by Subordinated Lender) by Senior Lender or anyone acting for Senior Lender; (v) any lack of validity or enforceability of any Senior Loan Document; (vi) the release or non-perfection of any collateral securing the Senior Indebtedness; or (vii) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Company or any Obligor in respect of the Senior Indebtedness or Subordinated Lender in respect of this Agreement.

(b) Without limiting the generality of the foregoing, and anything else contained herein to the contrary notwithstanding, Senior Lender, from time to time, without prior notice to or the consent of the Subordinated Lender, may take all or any of the following actions without in any manner affecting or impairing the obligation or liability of the Subordinated Lender hereunder: (i) obtain a Lien in any property to secure any of the Senior Indebtedness; (ii) obtain the primary and secondary liability of any party or parties with respect to any of the Senior Indebtedness; (iii) renew, extend, or otherwise change the time for payment of the Senior Indebtedness or any installment thereof for any period, or change the interest rates and fees with respect to the Senior Indebtedness; (iv) renew, reaffirm, extend, release or otherwise change any liability of any nature of any Person, including any Obligor, with respect to the Senior Indebtedness; (v) exchange, enforce, waive, release, and apply any Company Property and direct the order or manner of sale thereof as Senior Lender may in its discretion determine; (vi) enforce its rights hereunder, whether or not Senior Lender shall proceed against any other Person; (vii) exercise its rights to consent to any action or non-action of the Company or any Obligor which may violate the covenants and agreements contained in the Senior Loan Documents, with or without consideration, on such terms and conditions as may be acceptable to it; or (viii) exercise any of its rights conferred by the Senior Loan Documents or by law.

11. Waivers. The Company and Subordinated Lender each hereby waive, to the fullest extent permitted by law, any defense based on the adequacy of a remedy at law which might be asserted as a bar to the remedy of specific performance of this Agreement in any action brought therefor by the Senior Lender. To the fullest extent permitted by law and except as to any notices specified in this Agreement, notices regarding the intended sale or disposition of any portion of the collateral held by the Senior Lender, or any notice which may not be waived in accordance with the UCC, the Company and Subordinated Lender each hereby further waive: presentment, demand, protest, notice of protest, notice of default or dishonor, notice of payment or nonpayment and any and all other notices and demands of any kind in connection with all negotiable instruments evidencing all or any portion of the Senior Indebtedness or the Subordinated Indebtedness to which the Company or the Subordinated Lender may be a party; prior notice of

and consent to any loans made, extensions granted or other action taken in reliance thereon; and all other demands and notices of every kind in connection with this Agreement, the Senior Indebtedness or the Subordinated Indebtedness. Subordinated Lender consents to any release, renewal, extension, compromise or postponement of the time of payment of the Senior Indebtedness, to any substitution, exchange or release of collateral therefor, and to the addition or release of any Person primarily or secondarily liable thereon.

12. No Estoppel. Neither the failure nor any delay on the part of Senior Lender to exercise any right, remedy, power or privilege hereunder shall operate as a waiver thereof or give rise to an estoppel, nor be construed as an agreement to modify the terms of this Agreement, nor shall any single or partial exercise of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver by a party hereunder shall be effective unless it is in writing and signed by the party making such waiver, and then only to the extent specifically stated in such writing.

13. Incorrect Payments; Specific Performance. If the Company or any Obligor shall make or the Subordinated Lender shall collect any payment on account of the principal of, premium or interest on or any other amounts due under the Subordinated Indebtedness in contravention of this Agreement, such payments shall be held in trust by the Subordinated Lender and not commingled with any assets of Subordinated Lender and shall be paid over and delivered to the Senior Lender, promptly upon receipt thereof. At any time Subordinated Lender fails to comply with any provision of this Agreement, the Senior Lender may demand specific performance of this Agreement, whether or not the Company has complied with this Agreement, and may exercise any other remedy available at law or equity.

14. Amendment of the Subordinated Documents and Senior Loan Documents. Subordinated Lender agrees that it will not, without the prior written consent of the Senior Lender, agree to any amendment, modification or supplement to the Subordinated Documents. The Senior Indebtedness may at any time be amended, modified, restated, refinanced or waived without limitation without notice to, or the consent of, the Subordinated Lender.

15. Inconsistent or Conflicting Provisions; Construction. If a provision of the Senior Loan Documents or the Subordinated Documents is inconsistent or conflicts with the provisions of this Agreement, the provisions of this Agreement shall govern and prevail. The term "including" is not limiting and means "including without limitation." In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including"; the words "to" and "until" each mean "to but excluding", and the word "through" means "to and including."

16. Notices. Any notice, consent or other communication provided for in this Agreement shall be in writing and shall be delivered personally (effective upon delivery), via facsimile (effective upon confirmation of transmission), via overnight courier (effective the next Business Day after dispatch if instructed to deliver on next business day) or via U.S. Mail (effective 3 days after mailing, postage prepaid, first class) to each party at its address(es) and/or facsimile number(s) set forth on Annex I hereto, or to such other address as either party shall specify to the other in writing from time to time. The Subordinated Lender shall provide the Senior Lender with

written notice promptly upon the occurrence of an event of default under the Subordinated Documents. The parties hereto agree that, notwithstanding Section 20(b) hereof, any notice to a Subordinated Lender shall be deemed to constitute notice to all affiliated Subordinated Lender.

17. Entire Agreement. This Agreement constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, whether express or implied, oral or written. Neither this Agreement nor any portion or provision hereof may be changed, waived or amended orally or in any manner other than by an agreement in writing signed by the Senior Lender and the Subordinated Lender; provided that any such change, waiver or amendment shall be binding upon the Company by their written consent thereto. This Agreement shall constitute a Loan Document and the recitals hereto shall constitute part of this Agreement.

18. Additional Documentation. The Company and the Subordinated Lender shall execute and deliver to the Senior Lender such further instruments and shall take such further action as the Senior Lender may at any time or times reasonably request in order to carry out the provisions and intent of this Agreement.

19. Expenses. The Company agrees to pay the Senior Lender on demand all expenses of every kind, including Attorney Costs, that the Senior Lender incur in enforcing any of its rights against the Company and/or the Subordinated Lender under this Agreement.

20. Successors and Assigns.

(a) This Agreement shall inure to the benefit of Senior Lender, Subordinated Lender, and their respective heirs, administrators, executors, successors and assigns, and shall be binding upon the Company and its successors and assigns, and Senior Lender, Subordinated Lender and their respective heirs, administrators, executors, transferees, successors and assigns, including any subsequent holders of the Subordinated Note. Senior Lender, without prior notice or consent of any kind, may sell, assign or transfer any Senior Indebtedness, and in such event each and every immediate and successive assignee or transferee thereof may be given the right by such Person to enforce this Agreement in full against the Company and the Subordinated Lender, by suit or otherwise, for its own benefit.

(b) No Subordinated Lender shall sell, assign, pledge, dispose of or otherwise transfer all or any portion of the Subordinated Indebtedness or any Subordinated Document without the prior written consent of the Senior Lender.

(c) Notwithstanding the failure of any transferee to execute or deliver an agreement substantially identical to this Agreement, the subordination effected hereby shall survive any sale, assignment, pledge, disposition or other transfer of all or any portion of the Subordinated Indebtedness, and the terms of this Agreement shall be binding upon the successors and assigns of Subordinated Indebtedness, as provided in this Section.

(d) Subordinated Lender hereby agrees that any party that refinances the Senior Indebtedness of the Senior Lender may rely on and enforce this Agreement as if it were Senior Lender. Subordinated Lender further hereby agrees that it will, at the request of

Senior Lender, enter into an agreement, in the form of this Agreement, mutatis mutandis, to subordinate the Subordinated Indebtedness, to the same extent as provided herein, to the party refinancing all or a portion of such Senior Indebtedness; provided that the failure of the Subordinated Lender to execute such an agreement shall not affect such party's right to rely on and enforce the terms of this Agreement.

21. Covenant Not to Challenge. This Agreement has been negotiated by the parties with the expectation and in reliance upon the assumption that the instruments and documents evidencing the Senior Indebtedness are valid and enforceable. In determining whether to enter into this Agreement, the Subordinated Lender has assumed such validity and enforceability, and have agreed to the provisions contained herein, without relying upon any reservation of a right to challenge or call into question such validity or enforceability. As between Senior Lender and Subordinated Lender, Subordinated Lender hereby covenants and agrees, to the fullest extent permitted by law, that it shall not initiate in any proceeding a challenge to the validity or enforceability of the documents and instruments evidencing the Senior Indebtedness or the validity, perfection or priority of any Lien of the Senior Lender securing the Senior Indebtedness, nor shall the Subordinated Lender instigate other parties to raise any such challenges, nor shall the Subordinated Lender participate in or otherwise assert any such challenges which are raised by other parties.

22. Subrogation. Subject to the Final Payment of all Senior Indebtedness and the provisions of Section 24 hereof, the Subordinated Lender shall be subrogated to the rights of the Senior Lender to receive payments and distributions of cash, property and securities applicable to the Senior Indebtedness to the extent that distributions otherwise payable to the Subordinated Lender has been applied to the Senior Indebtedness, until all amounts payable under the Subordinated Indebtedness shall have been paid in full except with respect to rights that are otherwise permitted to be paid to the Subordinated Lender pursuant to Section 6 hereof. For purposes of such subrogation, no payments or distributions to the Senior Lender of any cash, property or securities to which the Subordinated Lender would be entitled except for the provisions of this Agreement, and no payment pursuant to the provisions of this Agreement to the Senior Lender by the Subordinated Lender shall, as among the Company and its creditors other than the Senior Lender, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness. If the Company fails to make any payment on account of the Subordinated Indebtedness by reason of any provision contained herein, such failure shall, notwithstanding such provision contained herein, constitute a default with respect to the Subordinated Indebtedness if and to the extent such failure would otherwise constitute such a default in accordance with the terms of the Subordinated Indebtedness.

23. Termination of Agreement. This Agreement shall continue and shall be irrevocable until the date all of the Senior Indebtedness has been Finally Paid or otherwise discharged and released in an express writing to such effect by the Senior Lender.

24. Reinstatement. The obligations of the Subordinated Lender under the Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time any payment in respect of any Senior Indebtedness is rescinded or must otherwise be restored or returned by Senior Lender by reason of any bankruptcy, reorganization, arrangement, composition or similar proceeding or as a result of the appointment of a receiver, intervenor or conservator of, or trustee

or similar officer for, the Company, any Obligor or any substantial part of its property, or otherwise, all as though such payment had not been made.

25. Legends. Until the termination of this Agreement, Subordinated Lender will cause to be clearly, conspicuously and prominently inserted on the face of the Subordinated Note and any other Subordinated Document, as well as any renewals or replacements thereof, the following legend:

> "THIS INSTRUMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT CERTAIN SUBORDINATION AGREEMENT (THE "SUBORDINATION AGREEMENT") DATED AS OF May 2, 2016, BY AND AMONG WYNNEFIELD PARTNERS SMALL CAP VALUE, LP, WYNNEFIELD PARTNERS SMALL CAP VALUE, LP I and WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND, LTD ("THE "SUBORDINATED LENDER"), DLH HOLDINGS CORP (THE "COMPANY"), AND FIFTH THIRD BANK ("SENIOR LENDER") RELATING TO THE INDEBTEDNESS (INCLUDING INTEREST) OWED BY THE COMPANY PURSUANT TO THAT CERTAIN LOAN AGREEMENT DATED AS OF May 2, 2016, AS AMENDED FROM TIME TO TIME, AND THE LOAN DOCUMENTS (AS DEFINED IN THE LOAN AGREEMENT) AS SUCH LOAN AGREEMENT AND LOAN DOCUMENTS MAY BE AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME AND TO INDEBTEDNESS REFINANCING THE INDEBTEDNESS THEREUNDER AS CONTEMPLATED BY THE SUBORDINATION AGREEMENT; AND THE HOLDER OF THIS INSTRUMENT, BY ITS ACCEPTANCE HEREOF, IRREVOCABLY AGREES TO BE BOUND BY THE PROVISIONS OF THE SUBORDINATION AGREEMENT."

The Company's books shall be marked to evidence the subordination of all of the Subordinated Indebtedness to the holders of Senior Indebtedness, in accordance with the terms of this Agreement. Senior Lender is authorized to examine such books from time to time in accordance with the terms of the Loan Agreement and to make any notations required by this Agreement.

26. Governing Law. THIS AGREEMENT SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. THE COMPANY AND THE SUBORDINATED LENDER HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY THE COMPANY OR THE SUBORDINATED LENDER AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS AGREEMENT SHALL BE LITIGATED IN A FULTON COUNTY, GEORGIA COURT OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA OR, IF SENIOR LENDER INITIATE SUCH ACTION, IN ADDITION TO THE FOREGOING COURTS, ANY COURT IN WHICH SENIOR LENDER SHALL INITIATE SUCH ACTION,

TO THE EXTENT SUCH COURT HAS JURISDICTION. THE COMPANY AND THE SUBORDINATED LENDER EACH HEREBY EXPRESSLY SUBMIT AND CONSENT IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED BY SENIOR LENDERS AND HEREBY WAIVE ANY CLAIM THAT SUCH COURTS ARE AN INCONVENIENT FORUM OR AN IMPROPER FORUM BASED UPON LACK OF VENUE. THE EXCLUSIVE CHOICE OF FORUM AS SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT, BY SENIOR LENDER, OF ANY JUDGMENT OBTAINED IN ANY OTHER FORUM OR THE TAKING, BY SENIOR LENDER, OF ANY ACTION TO ENFORCE THE SAME IN ANY OTHER APPROPRIATE JURISDICTION, AND THE COMPANY AND THE SUBORDINATED LENDER EACH HEREBY WAIVE THE RIGHT TO COLLATERALLY ATTACK SUCH JUDGMENT OR ACTION.

27. Jury Trial. THE SENIOR LENDER, THE SUBORDINATED LENDER AND THE COMPANY WAIVE TRIAL BY JURY IN ANY DISPUTE ARISING FROM, UNDER OR IN CONNECTION WITH THIS AGREEMENT.

28. Severability. The provisions of this Agreement are independent of and separable from each other. If any provision hereof shall for any reason be held invalid or unenforceable, it is the intent of the parties that such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, and that this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

29. Counterparts. This Agreement may be executed in any number of separate counterparts, all of which, when taken together, shall constitute one and the same instrument, notwithstanding the fact that all parties did not sign the same counterpart. Receipt of an executed signature page to this Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof.

30. Sections. The section headings used in this Agreement are for convenience only and shall not affect the interpretation of any of the provisions hereof.

31. Defines Rights of Creditors. The provisions of this Agreement are solely for the purpose of defining the relative rights of the Senior Lender and the Subordinated Lender and shall not be deemed to create any rights or priorities in favor of any other Person, including the Company.

[SIGNATURE PAGE FOLLOWS]

The parties hereto have executed this Subordination Agreement as of the date first above written.

COMPANY: **DLH HOLDINGS CORP** a New Jersey corporation

By: /s/ Kathryn M. JohnBull
Name: Kathryn JohnBull
Title: Chief Financial Officer

SENIOR LENDER: **FIFTH THIRD BANK**, an Ohio banking corporation

By: /s/ Anne Cross
Title: Vice President

SUBORDINATED LENDER: **WYNNEFIELD PARTNERS SMALL CAP VALUE, LP**

By: /s/ Nelson Obus
Name: Nelson Obus
Title: Managing Member, General Partner

WYNNEFIELD PARTNERS SMALL CAP VALUE, LP I

By: /s/ Nelson Obus
Name: Nelson Obus
Title: Managing Member, General Partner

WYNNEFIELD SMALL CAP OFFSHORE FUND, LTD

By: /s/ Nelson Obus
Name: Nelson Obus
Title: President

{N0109917 }

ANNEX I

NOTICE ADDRESSES

COMPANY:

SENIOR LENDER:

SUBORDINATED LENDER:

EXHIBIT A

SUBORDINATED NOTE

See attached.