DEBENTURE PURCHASE AGREEMENT

THIS DEBENTURE PURCHASE AGREEMENT (the "Agreement") is made and entered into this 17th day of September, 2012 (the "Effective Date"), by and between the INDIANA ECONOMIC DEVELOPMENT CORPORATION ("Lender"), through its Twenty-First Century Research and Technology Fund (the "21 Fund"), and PARTTEC, LTD., an Indiana corporation ("Borrower").

RECITALS

WHEREAS, on May 6, 2011, the Board of Directors of Lender, acting by and through its Entrepreneurship Committee, approved an award to Borrower in the maximum amount of up to $1,000,000 from the 21 Fund under Indiana Code § 5-28-16 *et. seq.* (the "Act"), subject to [redacted] on the terms and subject to the conditions set forth in this Agreement (the "Award");

WHEREAS, [redacted]

WHEREAS, on May 1, 2012, Lender issued that certain Funding Commitment Letter to Borrower providing that, (1) as a condition precedent to Lender's fulfillment of the Award, Lender shall not be obligated to contribute funds to Borrower until such time as [redacted] and (2) upon the achievement of the foregoing condition precedent by Borrower, the contribution by Lender shall be in an amount equal to the lesser of [redacted] or $1,000,000; and

WHEREAS, as of the Effective Date, Borrower has [redacted]

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, and subject to the following terms and conditions, Lender and Borrower agree as follows:

1. AUTHORIZATION OF LENDER DEBENTURE.

Borrower has authorized the issue and sale to Lender of Borrower's [redacted] Convertible Subordinated Debenture, due [redacted] in the principal amount of Six Hundred Thousand Dollars ($600,000) (the "Lender Debenture"). The Lender Debenture shall be

substantially in the form set forth on Exhibit A hereto. Certain capitalized terms used in this Agreement are defined in Section 9 hereof.

2. SALE AND PURCHASE OF LENDER DEBENTURE; CLOSING; ETC.

2.1. Sale and Purchase of Lender Debenture.

Subject to the terms and conditions of this Agreement, Borrower agrees to issue and sell the Lender Debenture to Lender, and Lender agrees to purchase the Lender Debenture from Borrower, for a purchase price of Six Hundred Thousand Dollars ($600,000) (the "Purchase Price").

2.2. Closing.

Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated hereby (the "Closing") will occur as follows:

(a) Borrower will execute and deliver this Agreement to Lender;

(b) Borrower will execute and deliver the Lender Debenture to Lender, which Lender explicitly agrees to hold such executed Lender Debenture in escrow subject to and pending Lender's delivery of the Purchase Price to Borrower;

(c) Lender will deliver the Purchase Price to Borrower, by wire or ACH transfer of immediately available funds to an account of Borrower to be designated to Lender prior to the Closing, as soon as reasonably practicable following the execution of this Agreement by Lender and the Director of the Indiana State Budget Agency;

(d) Borrower shall release from escrow and issue the Lender Debenture to Lender upon its receipt of the Purchase Price; and

(e) Borrower and Lender will deliver to each other such other documents, certificates, instruments and writings required to be delivered pursuant to Section 3 hereof or otherwise required pursuant to this Agreement.

2.3. Use of Proceeds.

The proceeds of the transactions contemplated hereby shall be used by Borrower solely for general corporate purposes approved by Borrower's Board of Directors; provided, however, no proceeds shall be used for [redacted] the repayment of any indebtedness of Borrower and/or the payment of interest on any of the Debentures sold and issued by Borrower, without the prior written consent of Lender.

3. CONDITIONS TO CLOSING.

Lender's obligations to purchase the Lender Debenture and pay the Purchase Price at the Closing are subject to the fulfillment to Lender's satisfaction, at or prior to the Effective Date, of the following conditions:

3.1. Compliance.

The representations and warranties of Borrower in this Agreement shall be true and correct as of the Effective Date; Borrower shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by Borrower prior to or at the Closing; and no Event of Default shall have occurred under the Lender Debenture.

3.2. Officer's Certificates.

(a) Compliance Certificate. Borrower shall have delivered to Lender a certificate signed by a senior executive officer, dated the Effective Date, certifying that the conditions specified in Section 3.1 have been fulfilled.

(b) Secretary's Certificate. Borrower shall have delivered to Lender a certificate certifying as to its constituent charter documents, the resolutions attached thereto and other company proceedings relating to the authorization, execution and delivery of this Agreement, the Lender Debenture and the transactions contemplated hereby and thereby.

3.3. Required Consents.

All consents, approvals or authorizations of, or registrations, filings or declarations with, any Governmental Authority or other Person required in connection with the execution, delivery or performance of this Agreement shall have been obtained or made, with the exception of any filings required under federal or state securities laws, which filings shall be made promptly after the Closing.

3.4. No Actions or Proceedings.

No suit, action or proceeding shall have been instituted or threatened before any court or other Governmental Authority to enjoin, restrain or prohibit, or to obtain damages in respect of, this Agreement or the consummation of the transactions contemplated hereby or which, in Lender's judgment, would impose material restrictions or risks upon Borrower or Lender if such transactions are consummated.

3.5. No Material Adverse Change.

At the Effective Date, no event or circumstance shall have occurred or exist which has had or is reasonably likely to have a Material Adverse Effect.

3.6. Proceedings and Documents.

All corporate and other proceedings which are necessary or appropriate in connection with the transactions contemplated by this Agreement and the Related Agreements shall have been taken, all documents and instruments incident to such transactions shall be in form and substance reasonably satisfactory to Lender and its counsel, and Lender and its counsel shall have received all counterpart originals or certified or other copies of such documents as Lender or its counsel may reasonably request.

3.7. Co-Investment Funds.

[redacted]

4. REPRESENTATIONS AND WARRANTIES OF BORROWER.

Borrower hereby represents and warrants to Lender that:

4.1. Organization; Power and Authority.

Borrower is duly organized and validly existing under the laws of Indiana and is duly qualified and in good standing in each other jurisdiction in which such qualification is required by law. Borrower has all requisite power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement, the Lender Debenture and each other agreement, certificate or other document to be executed and delivered by Borrower in connection with the transactions contemplated hereby (collectively, the "Related Agreements"), to issue and sell the Lender Debenture and otherwise to perform the provisions hereof and thereof. Borrower has delivered to Lender true and complete copies of its articles of incorporation, by-laws and all other applicable constituent charter documents, all as in full force and effect on the Effective Date. Borrower has no subsidiaries or investments in any other Person.

4.2. Authorization; Etc.

Each of this Agreement, the Related Agreements and the transactions contemplated hereby and thereby, have been duly authorized by all necessary action on the part of Borrower and constitutes (or in the case of the Related Agreements, at the Closing will constitute) a valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability now or hereafter in effect relating to or affecting creditors' rights and to general equity principles.

4.3. Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by Borrower of this Agreement and the Related Agreements will not (a) contravene, result in any breach of, or constitute a default under, or

result in the creation of any Lien in respect of any property of Borrower under, any of Borrower's charter documents or any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, or any other agreement or instrument to which Borrower or any of its properties is bound or subject, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to Borrower or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to Borrower.

4.4. Governmental Authorizations; Etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance by Borrower of this Agreement or any of the Related Agreements, or the issuance and sale of the Lender Debenture, except such as have been duly and validly obtained or filed, or with respect to any filings that must be made after the Closing, as will be filed in a timely manner.

4.5. Capitalization; Valid Issuance.

REDACTED

4.6. Related Party Arrangements.

Except as described on Schedule 4.6, neither any current or former director, manager, officer or employee of Borrower, or any Affiliate of Borrower or of any such director, manager, officer or employee, is a party to any agreement, arrangement, contract or other commitment to which Borrower is a party or by which any of its properties or assets is bound, or has a Material interest in any of the assets, properties or rights owned by, used in or pertaining to the business of Borrower.

4.7. Financial Statements; Absence of Certain Changes.

(a) Borrower has delivered to Lender copies of its unaudited financial statements for the year ended December 31, 2011 and the three-month period ended March 31, 2012. All of such financial statements (including in each case the related schedules and notes) fairly present in all Material respects the financial position of Borrower as of their respective dates and the results of its operations and cash flows for the respective periods covered thereby and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). Except as disclosed or reflected in such financial statements, there are no obligations or liabilities, whether or not accrued, contingent or otherwise, or any facts or circumstances of which the management of Borrower is aware, that could result in any obligations or liabilities of Borrower that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth on Schedule 4.7, since the date of the most recent balance sheet included in the financial statements referred to above, Borrower has conducted its business only in, and has not engaged in any Material transaction other than according to, the ordinary and usual course of such business and there has not been (a) any declaration, setting aside or payment of any dividend or other distribution in respect of the Equity Securities of Borrower; (b) any sale, lease, license, pledge, mortgage or other transfer or disposition of any Material properties or assets of Borrower; (c) any incurrence by Borrower of any indebtedness or any Material obligations or liabilities of Borrower, whether or not accrued, contingent or otherwise; (d) any Material capital expenditure or other commitment for additions to property, plant or equipment by Borrower; (e) any increase in the compensation payable or which could become payable by Borrower to its officers or key employees; or (f) any change by Borrower in accounting principles, practices or methods.

4.8. Existing Debt and Liens.

Except as set forth on Schedule 4.8, (a) Borrower has no outstanding debt for borrowed money; (b) none of Borrower's property, whether now owned or hereafter acquired, is subject to any Lien, and (c) Borrower has not agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to any Lien. Borrower is not in default and no waiver of default is currently in effect, in the payment of any principal or interest on any debt of Borrower and no event or condition exists with respect to any debt of Borrower that would permit (or that with

notice or the lapse of time, or both, would permit) one or more Persons to cause such debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

4.9. Litigation; Observance of Agreements, Statutes and Orders; Permits.

(a) There are no actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against Borrower or any property of Borrower in any court or before or by any Governmental Authority.

(b) Borrower is not in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court or Governmental Authority, or in violation of any applicable law, ordinance, rule or regulation of any Governmental Authority.

(c) Borrower owns or possesses all licenses, permits, franchises and other authorizations from Governmental Authorities required by all applicable laws, ordinances, rules and regulations, necessary for the operation of its business.

4.10. Taxes.

Borrower has filed all tax returns that are required to have been filed in any jurisdiction, and has paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon it or its properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments the nonpayment of which in the aggregate could not reasonably be expected to have a Material Adverse Effect.

4.11. Debarment.

Borrower certifies, by entering into this Agreement, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from entering into this Agreement by any federal agency or by any department, agency or political subdivision of the State of Indiana. The term "principal" for purposes of this Agreement means an officer or director of Borrower. Borrower certifies that it has verified the suspension and debarment status for it and its principals and acknowledges that it shall be solely responsible for any recoupments or penalties that might arise from non-compliance. Borrower shall immediately notify Lender if any of its principals become debarred or suspended, and shall consent, at Lender's request, to the termination of this Agreement and repayment of the Lender Debenture.

4.12. Title to Property; Leases and Licenses.

Borrower has good and sufficient title or rights to use its properties that individually or in the aggregate are Material, including all such properties reflected in its most recent balance sheet delivered to Lender (except as sold or otherwise disposed of in the ordinary course of business

since that date). All leases or licenses that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all Material respects.

4.13. Intellectual Property.

Schedule 4.13 sets forth a true and complete list of all of Borrower's registered or issued Intellectual Property and all related licenses, sublicenses and other written agreements relating to the Intellectual Property to which Borrower is a party, including the identity of all parties thereto. Except as specifically disclosed on Schedule 4.13:

(a) Borrower owns or has a valid and legal right to use all of the Intellectual Property, all of which is sufficient to conduct the business of Borrower in the manner currently being conducted and proposed to be conducted. Borrower has delivered to Lender true and complete copies of all license agreements and any other agreements of any nature relating to the Intellectual Property, each as amended and in full force and effect on the date hereof, all of which are listed on Schedule 4.13. Neither Borrower nor, to the knowledge of Borrower, any other party thereto is in default under any term of any of such agreements.

(b) Borrower is not obligated to pay to any Person any fee, royalty or other payment as a result of Borrower's use of the Intellectual Property.

(c) Borrower's ownership or use of the Intellectual Property does not, to the knowledge of Borrower, infringe any intellectual property rights or other proprietary rights of any other Person, and Borrower has not received any notice from any Person that Borrower's ownership or use of any Intellectual Property infringes on any trademark, service mark, trade name, invention, patent, trade secret, copyright, domain name, know-how or any other type of proprietary intellectual property right of any other Person.

(d) To the knowledge of Borrower, no Person is infringing on, and there are no facts that a reasonable person would conclude provide a valid basis for any such claim that any Person is infringing on, any of the Intellectual Property.

(e) No Intellectual Property owned by Borrower is subject to any outstanding agreement, stipulation or order restricting the use thereof by Borrower or restricting the licensing thereof by Borrower to any Person.

(f) All developers, creators, inventors and authors of any Intellectual Property owned by Borrower who were not employees of Borrower at the time of the development, creation, invention or authorship of such Intellectual Property have, or their employers or prime contractors have, assigned in writing all of their rights, title and interest to such Intellectual Property to Borrower. All Intellectual Property owned by Borrower and developed, created, invented, or authored by employees of Borrower at the time of such development, creation, invention or authorship are the sole property of Borrower and no such employee has any rights, title or interest in such Intellectual Property. All employees of Borrower have executed and delivered to Borrower an agreement transferring to Borrower any Intellectual Property that is owned by Borrower which was developed, created, invented or authored by such employee.

(g) Borrower has not entered into any license or other agreement pursuant to which Borrower has granted to any other Person the right to use any of the Intellectual Property.

4.14. Private Offering by Borrower.

Neither Borrower nor anyone acting on its behalf has offered the Lender Debenture or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than Lender and other Persons who are "accredited investors" as defined in the Securities Act, each of which has been offered such securities at a private sale for investment. Neither Borrower nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Lender Debenture to the registration requirements of Section 5 of the Securities Act.

4.15. Disclosures.

The representations, warranties and other information regarding Borrower set forth in this Agreement, the Related Agreements and any certificates delivered to Lender in connection with the transactions contemplated hereby, are true, accurate and complete in all Material respects, fairly describe the business and properties of Borrower and do not contain any untrue statement of a Material fact or omit to state any Material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made.

5. BOARD REPRESENTATION; ETC.

5.1. Board of Directors.

(a) [redacted]

(b) [redacted]

(c) If at any time Lender has not designated (or no longer has the right to designate) a representative on the Board of Directors, Borrower shall nevertheless invite a representative of Lender to attend all meetings of Borrower's Board of Directors and all committees thereof in a nonvoting observer capacity (and at Lender's expense) and, in this respect, shall give such representative copies of all notices, minutes, consents and other materials that it provides to its

Directors; provided, that Borrower may reserve the right to withhold any information and to exclude any such representative from any meeting or portion thereof if, in the opinion of counsel for Borrower (a copy of which shall be delivered to Lender), denial of access to such information or attendance at such meeting is reasonably necessary to preserve the attorney-client privilege or to maintain the confidentiality of confidential and proprietary information of Borrower.

(d) In connection with any Transfer by Lender of all or any part of the Lender Debenture to an Affiliate or Institutional Investor, it may, at its election, concurrently transfer its rights under this Section 5 to such Affiliate or Institutional Investor; provided, that Lender and its transferees shall not be entitled to appoint more than one Director.

(e) Notwithstanding anything to the contrary contained herein, the Lender Representative contemplated in this Section 5.1 must not (i) compete with or be employed by a person that competes with Borrower, or (ii) as a result of such person's status as a foreign national or for any reason, result in limitations being placed upon Borrower's ability to enter into contracts with the United States government or any federal or state government agency.

5.2. Regular Board Meetings.

Regular meetings of the Board of Directors shall be held on at least a quarterly basis, at such times and places as may be fixed by the Board of Directors. At least four (4) calendar days in advance of each regular meeting of the Board, each Director shall be provided information with respect to the current operating results of Borrower, Borrower's performance in relation to any applicable budget of Borrower and such other information as is customarily provided to members of a board of directors of a corporation or that any Director may reasonably request.

5.3. Expenses; Indemnification.

(a) [redacted]

(b) Borrower shall indemnify, to the fullest extent permitted by law as currently in effect or as the same may hereafter be amended, Lender Representative if he or she is made or threatened to be made a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that Lender Representative or his or her testator or intestate is or was a Director of Borrower. To the fullest extent permitted by law as currently in effect or as the same may hereafter be amended, expenses incurred by any such Person in defending any such action, suit or proceeding shall be paid or reimbursed by Borrower promptly upon receipt by it of an undertaking of such Person to repay such expenses if it shall ultimately be determined that such Person is not entitled to be indemnified by Borrower. The rights provided to any Person by this subsection (b) shall be enforceable against Borrower by such Person, who shall be presumed to have relied upon it in serving or continuing to serve as a Director of Borrower. No amendment or termination of this Agreement shall impair the rights of

any Person arising at any time with respect to events occurring prior to such amendment or termination.

6. COVENANTS OF BORROWER; INFORMATION AS TO BORROWER; ETC.

6.1. Covenants of Borrower.

Borrower covenants and agrees that, for so long as (i) any amounts remains outstanding under the Debenture or (ii) Lender, or its assigns, holds any Equity Securities which are to be issued upon conversion of the Debenture, it will:

(a) Borrower shall use the Award proceeds only for the purposes described in Section 2.3.

(b) Borrower shall maintain its status as an "Indiana business", as such term is defined in Indiana Code § 5-22-15-20.5(b).

(c) Borrower shall promptly give Lender written notice of: (i) any Event of Default (as defined in the Lender Debenture), together with a written statement of the action being taken by Borrower to remedy such Event of Default; (ii) any litigation or proceeding before any court or governmental authority which, if adversely determined, might reasonably be expected to materially and adversely affect Borrower's operations, financial condition or ability to perform any of its obligations under this Agreement; or (iii) any changes, amendments, or modifications to existing contracts, or agreements that materially and adversely affect Borrower's operations, financial conditions or ability to perform any of its obligations under this Agreement.

(d) Borrower shall use its best efforts to possess and maintain all material intellectual property rights necessary to the conduct of its business and own all right, title and interest in and to, or have a valid license for, all material intellectual property rights used by Borrower in the conduct of its business. Borrower shall not knowingly take any action, or fail to take any action, which would result in the invalidity, abuse, misuse or unenforceability of such intellectual property rights or which would infringe upon any rights of any one or more Persons.

(e) Borrower shall maintain insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which Borrower operates.

(f) Compliance with Laws:

(i) Borrower shall comply in all material respects with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. Borrower's acknowledgements, certifications, representations, warranties and agreements set forth in this Agreement shall in no way limit the generality of the foregoing. The enactment of any state or federal statute or the promulgation of rules or regulations thereunder after

execution of this Agreement shall be reviewed by Lender and Borrower to determine whether the provisions of this Agreement require formal modification.

(ii) Borrower and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with Lender, as set forth in Indiana Code §4-2-6 *et seq.*, Indiana Code §4-2-7 *et seq.*, the regulations promulgated thereunder, Executive Order 04-08, dated April 27, 2004, Executive Order 05-12, dated January 10, 2005, and 25 Indiana Administrative Code 6, effective January 1, 2006. If Borrower, or any of its agents, are not familiar with these ethical requirements, they should refer any questions to the State Ethics Commission, or visit the State Ethics Commission website at http://www.in.gov/ethics/. If Borrower or any of its agents violate any applicable ethical standards, Lender may, in its sole discretion, terminate this Agreement immediately upon notice to Borrower. In addition, Borrower may be subject to penalties under Indiana Code § 4-2-6-12.

(iii) Borrower shall obtain and maintain all required material permits, licenses, and approvals, as well as comply with all applicable material health, safety, and environmental statutes, rules, or regulations for its operations as may be required by any Governmental Authority having jurisdiction or regulatory authority over Borrower. Failure to do so may be deemed a material breach of this Agreement and grounds for immediate termination and denial of further rights to contract with Lender.

(iv) Borrower agrees that Lender may confirm, at any time, that no liabilities exist to Lender (other than any obligation under the Lender Debenture), and, if such liabilities are discovered, that Lender may bar Borrower from contracting with Lender and the State of Indiana in the future, cancel existing contracts, withhold payments to setoff such obligations, and withhold further payments or purchases until Borrower is current in its payments on its liability to Lender and has submitted proof of such payment to Lender.

(v) As required by Indiana Code § 5-22-3-7:

(A) Borrower, and its principals, certify that (1) Borrower, except for de minimis and nonsystematic violations, has not violated the terms of (a) Indiana Code § 24-4.7 [Telephone Solicitation Of Consumers], (b) Indiana Code § 24-5-12 [Telephone Solicitations], or (c) Indiana Code § 24-5-14 [Regulation of Automatic Dialing Machines] in the previous 365 days, even if Indiana Code § 24-4.7 is preempted by federal law; and (2) Borrower will not violate the terms of Indiana Code § 24-4.7 for the duration of this Agreement, even if Indiana Code § 24-4.7 is preempted by federal law.

(B) Borrower certifies that, except for de minimis and nonsystematic violations, neither it nor any of its affiliates or principals and agents have violated in the previous 365 days, or will violate for the duration of this Agreement, the terms of Indiana Code § 24-4.7, even if Indiana Code § 24-4.7 is preempted by federal law.

(g) Conflict of Interest:

(i) As used in this section:

"Immediate Family" means the spouse and the unemancipated children of an individual.

"Interested Party," means:

(A) The individual executing this Agreement on behalf of Borrower;

(B) An individual who has an interest of one percent (1%) or more of Borrower, if Borrower is not an individual; or

(C) Any member of the Immediate Family of an individual specified under the foregoing subdivision (A) or (B).

"Commission" means the Indiana State Ethics Commission.

(ii) Lender may cancel this Agreement without recourse by Borrower if any Interested Party is an employee of Lender.

(iii) Lender will not exercise its right of cancellation under subpart (ii), immediately above, if Borrower gives Lender an opinion by the Commission indicating that the existence of this Agreement and the employment by Lender of the Interested Party does not violate any statute or rule relating to ethical conduct of Lender employees. Lender may take action, including cancellation of this Agreement, consistent with an opinion of the Commission obtained under this section suggesting a violation of any statute or rule relating to ethical conduct.

(iv) Borrower has an affirmative obligation under this Agreement to disclose to Lender when an Interested Party is or becomes an employee of Lender. The obligation under this section extends only to those facts that Borrower knows or reasonably could know.

(h) Drug-Free Workplace Certification:

Borrower hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. Borrower will give written notice to Lender within ten (10) days after receiving actual notice that Borrower or an employee of Borrower has been convicted of a criminal drug violation occurring in Borrower's workplace.

False certification or violation of the certification may result in sanctions including, but not limited to, suspension of loan payments, termination of the Loan and/or debarment of loan and contract opportunities with Lender for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total amount set forth in this Agreement is in excess of $25,000.00, Borrower hereby further agrees that this Agreement is expressly subject to the terms, conditions and representations of the following Certification:

> This certification is required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana. Pursuant to its delegated authority, the Indiana Department of Administration is requiring the inclusion of this certification in all loans with and loans from Lender in excess of $25,000.00. No loan, the total amount of which exceeds $25,000.00, shall be made or be valid unless and until this certification has been fully executed by Borrower and made a part of the loan or loan agreement.

Borrower certifies and agrees that it will provide a drug-free workplace by:

(i) Publishing and providing to all of its employees a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in Borrower's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(ii) Informing its employees of (a) the dangers of drug abuse in the workplace; (b) Borrower's policy of maintaining a drug-free workplace; (c) any available drug counseling, rehabilitation, and employee assistance programs; and (d) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace;

(iii) Notifying all employees in the statement required by subparagraph (i) above that as a condition of continued employment the employee will (a) abide by the terms of the statement; and (b) notify Borrower in writing of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) calendar days after such conviction;

(iv) Notifying in writing Lender within ten (10) calendar days after receiving notice from an employee under subdivision (iii)(b) above or otherwise receiving actual notice of such conviction. Notification must include the loan identifier number for each affected loan;

(v) Within thirty (30) days after receiving notice under subdivision (iii)(b) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency; and

(vi) Making a good faith effort to continue to maintain a drug-free workplace through the implementation of subparagraphs (i) through (v) above.

(i) Pursuant to Indiana Code § 22–9–1–10, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Civil Rights Act of 1964, Borrower shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to the employee's or applicant's hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee's or applicant's race, color, religion, sex, disability, national origin or ancestry. Acceptance of this Agreement also signifies compliance with applicable federal laws, regulations and executive orders prohibiting discrimination in the provision of services based on race, color, national origin, age, sex, disability or status as a veteran. Breach of one or both of these covenants may be regarded as a material breach of this Agreement.

(j) Borrower shall indemnify, defend, and hold harmless Lender and the State of Indiana and their respective agents, officers, employees and representatives from all claims and suits for damages or loss or damage to property, including the loss of use thereof, and injuries to or death of persons, including without limitation any officers, agents, employees and representatives of Borrower or its contractors, and from all judgments recovered therefor and for expenses in defending any such claims or suits, including court costs, attorneys' fees, and for any other expenses caused by an act or omission of Borrower or its grantees, contractors, agents, officers or employees in connection with performance of this Agreement. Lender shall not provide such indemnity to Borrower.

(k) Borrower shall promptly cure, and ratify the cure of, any defects in the creation, issuance, and delivery of this Agreement and the Related Agreements. Borrower, at its expense, will execute (or cause to be executed) and deliver to Lender upon request all such other and further documents, agreements, and instruments in compliance with or accomplishment of any covenant or agreement of Borrower in this Agreement or the Related Agreements, or to correct any omissions therein, or to state more fully the obligations and agreements set out therein, or to perfect, protect, or preserve any encumbrances intended to be created pursuant thereto, or to make any recordings, to file any notices, or to obtain any consents, all as may be reasonably necessary or appropriate in connection therewith.

6.2 Financial and Business Information.

For so long as Lender owns either (i) the Lender Debenture or (ii) the Equity Securities upon conversion thereof, Borrower shall deliver to Lender:

(a) Monthly Statements. As soon as available, but in any event not later than 30 days after the end of each month, management's internally prepared unaudited statement of cash-flows of Borrower for such month and for the period from the beginning of the applicable fiscal year to the end of such month.

(b) Quarterly Statements. As soon as available, but in any event not later than 45 days after the end of each quarter, the compiled balance sheet, income statement and statement of cash-flows of Borrower for such quarter and for the period from the beginning of the

applicable fiscal year to the end of such quarter, setting forth in each case in comparative form the figures for the comparable periods of the previous fiscal year.

(c) Annual Statements. As soon as available, but in any event within 120 days after the end of each fiscal year, the reviewed balance sheet, income statement and statement of cash-flows of Borrower for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year.

(d) Annual Budgets. As soon as available, but in any event prior to the beginning of each fiscal year, an annual budget of Borrower approved by the Board of Directors for such fiscal year presented on a monthly basis in reasonable detail, and promptly upon preparation thereof, any revisions of such budget.

(e) Notice of Material Violations. Promptly, and in any event within five business days after any officer of Borrower becomes aware thereof, written notice of the occurrence of any violation that has had or could reasonably be expected to have a Material Adverse Effect, specifying the nature and period of existence thereof and what action Borrower is taking or proposes to take with respect thereto.

(f) Notices from Governmental Authorities. Promptly, and in any event within five business days after any officer of Borrower becomes aware thereof, copies of any notice to Borrower from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect.

(g) Notice of Material Litigation. Promptly, and in any event within five business days after any officer of Borrower becomes aware thereof, written notice of the commencement of any suit, actions or proceeding against Borrower that, if determined adversely to Borrower, could reasonably be expected to have a Material Adverse Effect.

(h) Requested Information. Subject to Section 6.3 below, with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets, properties or prospects of Borrower as Lender may from time to time reasonably request.

6.3. Inspection.

As often as may be reasonably requested, Borrower shall permit any authorized representative designated by Lender (who shall be reasonably acceptable to Borrower), at Lender's own expense (or at Borrower's expense during the continuance of any Event of Default, as defined in the Lender Debenture), to visit the offices and properties of Borrower and inspect any of Company's books of account, records, reports and other books and records, and to make copies and take extracts therefrom, and to discuss its affairs, finances and accounts with Borrower's officers and its independent accountants, all upon at least two (2) business days' notice and at reasonable times during normal business hours; provided, however, that Borrower shall not be obligated pursuant to this Section 6.3 to provide access to any information that it reasonably considers to be a trade secret or confidential information (unless covered by an

enforceable confidentiality agreement, in form acceptable to Borrower) or the disclosure of which would adversely affect the attorney-client privilege between Borrower and its counsel. Notwithstanding the foregoing, such inspections shall be scheduled at a time and conducted in a manner intended to minimize the disruption to the day-to-day operations of Borrower.

7. APPROVAL OF CERTAIN MATTERS.

REDACTED

REDACTED

REDACTED

REDACTED

8. TRANSFER RESTRICTIONS APPLICABLE TO MANAGEMENT HOLDERS.

REDACTED

9. CERTAIN DEFINITIONS.

As used in this Agreement, the following terms have the following respective meanings:

"Affiliate" means, with respect to any Person, (a) any director, manager, officer or partner of such Person; (b) any other Person that beneficially owns, directly or indirectly, 50% or more of any class of voting or equity interests of such Person; (c) any other Person of which such Person beneficially owns, directly or indirectly, equity securities having 50% or more of any class of voting or equity interests of such other Person; and (d) any other Person controlling, controlled by or under common control with such Person where the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or equity securities or otherwise.

"Equity Securities" means the [redacted] and any other equity securities, and securities convertible into or exchangeable for equity securities, of any class or series of Borrower (including, without limitation, any preferred stock), and any options, warrants or other rights to acquire any of the foregoing.

"Exempt Securities" means any shares of Common Stock issued or issuable to consultants, directors, managers, officers or employees of Borrower directly (if in transactions for the purposes of retaining the services of such persons and not for financing purposes) or pursuant to an option plan or other equity incentive plan, in any such case which is approved by the Directors.

"Family Group" means, with respect to any individual natural Person, (a) such Person's spouse, lineal descendants or stepchildren (the "Family"); (b) a trust, family limited partnership, family limited liability company or other estate planning entity, the beneficiaries, partners or members of which include such Person and/or such Person's Family (a "Trust"); and (c) such Person's personal representatives, guardians, executors, administrators, testamentary trustees, legatees or beneficiaries upon his or her death or disability (the "Estate").

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"Governmental Authority" means (a) the government of (i) the United States of America or any state or other political subdivision thereof, or (ii) any jurisdiction in which Borrower conducts all or part of its business, or which asserts jurisdiction over any properties of Borrower, or (b) any entity exercising, executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Institutional Investor" means any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company or investment adviser (whether or not required to be registered as such), any insurance company, any broker or dealer, any "accredited investor" (as defined in Rule 501 under the Securities Act) that is not an individual, any "qualified institutional buyer" (as defined in Rule 144A under the Securities Act), or any other similar financial institutional or institutional investor or entity, regardless of legal form.

"Intellectual Property" means all trademarks, trademark rights, service marks, service mark rights, tradenames, tradename rights, copyrights, works of authorship, inventions (whether patentable or not), invention disclosures, industrial models, industrial designs, utility models, certificates of invention, designs, emblems and logos, trade secrets, manufacturing formulae, technical information, patents, patent applications, mask work registrations, franchises, franchise rights, customer and supplier lists and related identifying information together with the goodwill associated therewith, product designs, product packaging, business and product names, slogans, rights of publicity, improvements, processes, specifications, technology, methodologies, computer software (including all source code and object code), firmware, development tools, flow charts, annotations, all Web addresses, sites and domain names, all data bases and data collections and all rights therein, any other confidential and proprietary right or information, whether or not subject to statutory registration, and all related technical information, manufacturing, engineering and technical drawings, know-how and all pending applications and registrations of patents, and the right to sue for past infringement, if any, in connection with any of the foregoing, and all documents, disks, records, files and other media on which any of the

foregoing is stored, and other proprietary rights, in the case of each of the foregoing which is owned by Borrower or used or held for use by Borrower in connection with its business. In no event shall the definition of Intellectual Property include any rights to course materials or similar intellectual property obtained from authors, publishers or other third parties.

"Lien" means any mortgage, lien, pledge, charge, security interest or other encumbrance of any nature whatsoever (including in the case of liens on Equity Securities, stockholder agreements, voting trust agreements and all similar arrangements).

"Material" means material in relation to the business, operations, affairs, financial condition, assets, properties or prospects of Borrower.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of Borrower, (b) the ability of Borrower to perform its obligations under this Agreement or the Lender Debenture, or (c) the validity or enforceability of this Agreement or the Lender Debenture.

"Person" means an individual, partnership, corporation, limited liability company, joint venture, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder, all as the same shall be in effect from time to time.

"Subsidiary" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership, limited liability company or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership, limited liability company or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of Borrower.

"Transfer" means any sale, transfer, assignment, pledge, hypothecation, gift, conveyance, security interest or other encumbrance, or any contract therefor, any voting trust or other agreement with respect to the transfer of voting rights or any other beneficial interest in, or any other transfer or disposition (including, without limitation, any disposition that would constitute a "sale" within the meaning of the Securities Act) whatsoever affecting the right, title, interest or possession in or to any securities, whether direct or indirect, voluntary or involuntary, by operation of law or otherwise.

"Violation" or "violation" means a material breach or material violation of, a default under, the acceleration of or the creation of any lien, pledge, security interest, claim, charge or

other encumbrance of any nature whatsoever (with or without the giving of notice or the lapse of time, or both) pursuant to, any provision of any agreement, lease, license, contract, note, mortgage, indenture, arrangement or other obligation to which Borrower is a party or by which any of its assets or properties is bound, or any law, rule, ordinance or regulation or any judgment, decree, order, award or governmental or non-governmental permit to which Borrower is subject.

10. MISCELLANEOUS.

10.1. Further Assurances.

Each party hereto respectively will use all reasonable efforts to take, or cause to be taken, all actions and do, or cause to be done, all other things necessary, proper or appropriate under applicable laws, regulations and contracts to consummate and thereafter make effective the transactions contemplated by this Agreement.

10.2. Attorneys' Fees.

Borrower will pay the reasonable attorneys' fees of Lender incurred in connection with the negotiation and preparation of this Agreement, the Lender Debenture and the Related Agreements, [redacted]

10.3. Survival; Indemnification.

(a) The representations, warranties, covenants and agreements of the parties contained in this Agreement shall survive the Closing and the purchase or transfer by Lender of the Lender Debenture, and may be relied upon by any subsequent holder of the Lender Debenture (or any securities issued in respect thereof), regardless of any investigation made at any time by or on behalf of Lender or any such other holder.

(b) Borrower will indemnify and hold harmless Lender and any subsequent holder of the Lender Debenture (or any securities issued in respect thereof) against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Lender or any such holder, in its capacity as such, in any way relating to or arising out of this Agreement or the transactions contemplated hereby; provided, however, that Borrower shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent that the same result from Lender's or such holder's own gross negligence or willful misconduct.

10.4. Enforcement Rights.

Borrower acknowledges and agrees that its agreements set forth in Section 5 through Section 8, inclusive, are fundamental to Lender's willingness to enter into and be bound by this Agreement. Accordingly, Borrower hereby agrees that Lender may institute and maintain any action, suit or proceeding, at law or in equity (including, without limitation, specific performance or temporary and permanent injunctive relief (without any requirement to post any bond or other

security)), against Borrower (or any Management Holder) to enforce, or otherwise act in respect of, the agreements of such party set forth in such Sections. Such relief shall not be exclusive, but shall be cumulative and shall be in addition to damages and any other rights or remedies otherwise available at law or in equity. Lender's rights set forth in this Section shall also apply to any breach by any of the Management Holders of their respective agreements set forth in any of such Sections or the Joinder hereto.

10.5. Recapitalizations, Exchanges, Etc.

The provisions of this Agreement shall apply, to the full extent set forth herein, to any and all securities of Borrower or the securities of any successor or assign of Borrower (whether by merger, consolidation, sale of all or substantially all of Borrower's assets or otherwise) that may be issued in respect of, in exchange for, upon conversion of, or in substitution of any Equity Securities by reason of any stock dividend, stock split, stock issuance, reverse stock split, combination, recapitalization, reclassification, conversion, merger, consolidation or otherwise (any such securities being included within the "Equity Securities" subject to this Agreement). Upon the occurrence of any of such events, amounts hereunder shall be appropriately adjusted so as to fairly and equitably preserve, as far as practicable, the original rights and obligations of the parties hereto under this Agreement.

10.6. Entire Agreement, Etc.

This Agreement (including the Recitals included herein, the Exhibits and Schedules attached hereto and the Related Agreements referred to herein) constitutes the entire agreement and supersedes all other agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

10.7. Successor and Assigns.

This Agreement and the Lender Debenture, and the rights and obligations hereunder and thereunder, shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. The rights, but not the obligations, of Lender hereunder and under the Lender Debenture may be assigned by Lender without prior notice to and without the prior approval of Borrower provided that such assignment is made to any Institutional Investor or Affiliate; provided, however, that Lender shall promptly notify Borrower following any assignment of this Agreement and the Lender Debenture as described above; provided, further, that for any other assignment by Lender of its rights hereunder and under the Lender Debenture, Lender must obtain the prior consent of Borrower, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Lender shall not assign this Agreement or the Lender Debenture to any person which is a competitor of Borrower. Borrower may not assign this Agreement or the Lender Debenture, or any rights or duties hereunder or thereunder, other than by operation of law, without Lender's prior written consent.

10.8. Modification, Amendment or Termination.

The parties hereto may modify, amend or terminate this Agreement at any time, only by written agreement duly executed and delivered by each party hereto.

10.9. Severability.

If any term or other provision of this Agreement, or any portion thereof, is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement, or remaining portion thereof, shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any such term or other provision, or any portion thereof, is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are consummated to the fullest extent possible.

10.10. Notices.

All notices and correspondence pursuant to this Agreement shall be delivered to the parties hereto as follows:

If to Borrower:	PartTec, Ltd. Attn: [redacted] 2620 N. Walnut Street, Suite 805 Bloomington, IN 47404
If to Lender:	Indiana Economic Development Corporation Attn: General Counsel One North Capitol Avenue, Suite 700 Indianapolis, Indiana 46204

10.11. Governing Law.

This Agreement and all other Related Agreements and all other matters relating to the transaction covered herein shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to the conflicts of laws principles thereof, and any suit related to this Agreement, any other Related Agreement or other matters related to the transaction covered herein must be brought in Indiana and Borrower consents to personal jurisdiction in the State of Indiana.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties to this Lender Debenture Purchase Agreement, having read and understood the foregoing terms of this Lender Debenture Purchase Agreement, hereby do, by their respective authorized representatives, agree to the terms thereof.

"Borrower"

PARTTEC, LTD.

By: _____

Printed: Herschel Workman

Title: CEO

"Lender"

INDIANA ECONOMIC DEVELOPMENT CORPORATION

INDIANA TWENTY-FIRST CENTURY RESEARCH AND TECHNOLOGY FUND

By: _____

Printed: Daniel J. Hasler

Title: Secretary of Commerce and CEO

PML

APPROVED:

STATE BUDGET AGENCY

By: _____

Printed: Adam M. Horst

Title: Director

COPY

JOINDER

DEBENTURE PURCHASE AGREEMENT

In order to induce Lender to enter into the foregoing Debenture Purchase Agreement and consummate the transactions contemplated thereby, each of the undersigned [redacted] Capitalized terms used in this Joinder and not otherwise defined herein have the meanings given to them in the Debenture Purchase Agreement.

IN WITNESS WHEREOF, this Joinder has been duly executed and delivered by the undersigned as of the date set forth below.

Dated as of September 17, 2012

[redacted]

EXHIBIT A

LENDER DEBENTURE

NEITHER THIS SECURITY NOR THE SECURITIES INTO WHICH THIS SECURITY IS CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON REGULATION D PROMULGATED 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.

Original Issue Date: September 17, 2012

[redacted] [redacted]

$600,000.00

[redacted] ***CONVERTIBLE DEBENTURE DUE*** [redacted]

This [redacted] Convertible Debenture is one of a series of duly authorized and issued [redacted] Convertible Debentures of PartTec, Ltd., an Indiana corporation, having a principal place of business at Suite 805, 2620 N. Walnut Street, Bloomington, IN 47404 (the "Company"), designated as its [redacted] Convertible Debenture, due [redacted] (the "Debenture").

FOR VALUE RECEIVED, the Company promises to pay to the Indiana Economic Development Corporation, for and on behalf of the Indiana Twenty-First Century Research and Technology Fund, or its assigns (the "Holder"), or shall have paid pursuant to the terms hereunder, the principal sum of Six Hundred Thousand and 00/100 Dollars ($600,000.00) by [redacted] or such earlier date as this Debenture is required or permitted to be repaid as provided hereunder (the "Maturity Date"), and to pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture in accordance with the provisions hereof. This Debenture is subject to the following additional provisions:

Section 1. Definitions

For the purposes hereof, in addition to the terms defined elsewhere in this Debenture the following terms shall have the following meanings:

"Adoption Agreement" shall have the meaning set forth in Section 4.1.

"Alternate Consideration" shall have the meaning set forth in Section 6.2.

"Business Day" means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions in the State of Indiana are authorized or required by law or other government action to close.

[redacted]

"Conversion Date" shall have the meaning set forth in Section 4.1.

"Conversion Price" shall have the meaning set forth in Section 4.3.

"Conversion Shares" means the shares of [redacted] issuable upon conversion of this Debenture or as payment of interest in accordance with the terms.

"Event of Default" shall have the meaning set forth in Section 8.

"Fundamental Transaction" shall have the meaning set forth in Section 6.2.

"Holder Notice Event" [redacted]

"Indiana Courts" shall have the meaning set forth in Section 10.4.

"Maturity Date" means [redacted]

"Notice of Conversion" shall have the meaning set forth in Section 4.1.

"Optional Prepayment" shall have the meaning set forth in Section 7.

"Optional Prepayment Amount" shall have the meaning set forth in Section 7.

"Optional Prepayment Date" shall have the meaning set forth in Section 7.

"Optional Prepayment Notice" shall have the meaning set forth in Section 7.

"Original Issue Date" shall mean the date of the first issuance of the Debenture regardless of the number of transfers of the Debenture and regardless of the number of instruments which may be issued to evidence such Debenture.

"Person" means a corporation, an association, a partnership, organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

[redacted]

Section 2. Interest

2.1 Accrual of Interest. Interest shall accrue on the principal balance of this Debenture at the rate of [redacted]

2.2 Payment of Interest. The Company shall pay interest to the Holder on the aggregate unconverted and then outstanding principal amount of this Debenture at the rate of [redacted] and on the Maturity Date (except that, if any such date is not a Business Day, then such payment shall be due on the next succeeding Business Day).

Section 3. Repayment of Principal

3.1 Repayment in U.S. Dollars. On or before the Maturity Date, the Company shall repay the unpaid principal amount of this Debenture in U.S. Dollars.

Section 4. Conversion Into [redacted]

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

Section 5. Registration of Transfers and Exchanges

5.1 Different Denominations. This Debenture is exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holder surrendering the same.

5.2 Investment Representations. This Debenture has been issued subject to certain investment representations of the original Holder set forth in a Subscription Agreement and may be transferred or exchanged only in compliance with applicable federal and state securities laws and regulations.

5.3 Reliance on Debenture Register. Prior to due presentment to the Company for transfer of this Debenture, the Company and any agent of the Company may treat the Person in whose name this Debenture is duly registered on the Debenture Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Debenture is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

Section 6. Certain Adjustments

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

REDACTED

Section 7. Optional Redemption Right

REDACTED

REDACTED

Section 8. Events of Default

8.1 "Event of Default". Wherever used herein, an Event of Default means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or 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):

(a) any default in the payment of (A) the principal amount of any Debenture, or (B) interest on any Debenture, as and when the same shall become due and payable (whether on a Conversion Date or the Maturity Date or by acceleration or otherwise) which default, solely in the case of an interest payment under clause (B) above, is not cured, within [redacted]

(b) the Company shall fail to observe or perform any other material covenant or material agreement contained in this Debenture, which failure is not cured, if possible to cure, within [redacted] after notice of such default sent by the Holder;

(c) the Company defaults in the performance of or compliance with any term contained in any other agreement entered into by and between the Company and the Holder, and such default is not remedied within [redacted] after notice of such default sent by the Holder;

(d) any representation or warranty made by the Company in any other agreement entered into by and between the Company and the Holder proves to have been false or incorrect in any material respect on the date as of which made;

(e) (i) the Company shall commence a case, as debtor, under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Company commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction whether now or hereafter in effect relating to the Company or (ii) there is commenced a case against the Company, under any applicable bankruptcy or insolvency laws, as now or hereafter in effect or any successor thereto which remains undismissed for a period of sixty (60) days; or (iii) the Company is adjudicated by a court of competent jurisdiction insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or (iv) the Company suffers any appointment of any custodian or the like for it or any substantial part of its property which continues undischarged or unstayed for a period of sixty (60) days; or (v) the Company makes a general assignment for the benefit of creditors; or (vi) the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or (vii) the Company shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or (viii) the Company shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or (ix) any corporate or other action is taken by the Company for the purpose of effecting any of the foregoing.

8.2 Remedies Upon Event of Default. If any Event of Default occurs, the full principal amount of this Debenture, together with interest and other amounts owing in respect thereof, to the date of acceleration shall become, at the Holder's election, immediately due and payable in cash or other immediately available funds. Upon the payment in full of the Debenture under this Section 8.2, the Holder shall promptly surrender this Debenture to or as directed by the Company. The Holder need not provide and the Company hereby waives any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by Holder at any time prior to payment hereunder and the Holder shall have all rights as a Debenture holder until such time, if any, as the full payment under this Section shall have been received by it. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

Section 9. Ranking

REDACTED

REDACTED

Section 10. Further Covenants

10.1 Notice of Certain Events. The Company shall provide written notice to the Holder at least thirty (30) days in advance of any Holder Notice Event. Such notice shall set forth the event requiring such notice and advise the Holder of its ability to convert this Debenture pursuant to the provisions of Section 4 hereof.

10.2 Reporting. The Company will furnish annual financial statements prepared in accordance with generally accepted accounting principles (which may but need not be audited) to the Holder annually. On a quarterly basis, the Company will furnish the Holder with a management report that will provide an update regarding the Company's business and affairs, financial and otherwise.

Section 11. Miscellaneous

11.1 Notices. Any and all notices or other communications or deliveries to be provided by the Holder hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, sent by a nationally recognized overnight courier service, addressed to the President of the Company, at the address set forth above or such other address as the Company may specify for such purposes by notice to the Holder delivered in accordance with this Section. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, sent by a nationally recognized overnight courier service or first class mail addressed to each

Holder at or address of such Holder appearing on the books of the Company, or if no such address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given and effective on the earlier of (i) the second Business Day following the date of mailing, if sent by nationally recognized overnight courier service or first class mail, or (ii) upon actual receipt by the party to whom such notice is required to be given.

11.2 Absolute Obligation. Except as expressly provided herein, no provision of this Debenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, and interest on, this Debenture at the time, place, and rate, and in the coin or currency, herein prescribed. This Debenture is a direct debt obligation of the Company. This Debenture ranks pari passu with all other Debentures now or hereafter issued under the terms set forth herein.

11.3 Lost or Mutilated Debenture. If this Debenture shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated Debenture, or in lieu of or in substitution for a lost, stolen or destroyed Debenture, a new Debenture for the principal amount of this Debenture so mutilated, lost, stolen or destroyed but only upon receipt of evidence of such loss, theft or destruction of such Debenture, and of the ownership hereof, and indemnity, if requested, all reasonably satisfactory to the Company.

11.4 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Debenture shall be governed by and construed and enforced in accordance with the internal laws of the State of Indiana, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations or enforcement of this Debenture shall be commenced in the state and federal courts sitting in the City of Indianapolis, State of Indiana (the "Indiana Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Indiana Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, or such Indiana Courts are improper or inconvenient venue for such proceeding.

Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Debenture and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Debenture or the transactions contemplated hereby.

11.5 Waiver. Any waiver by the Company or the Holder of a breach of any provision of this Debenture shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Debenture. The failure of the Company or the Holder to insist upon strict adherence to any term of this Debenture on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Debenture. Any waiver must be in writing.

11.6 Severability. If any provision of this Debenture is invalid, illegal or unenforceable, the balance of this Debenture 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. If it shall be found that any interest or other amount deemed interest due hereunder violates applicable laws governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum permitted rate of interest. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Debenture as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Debenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impeded the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

11.7 Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment or obligation shall be made or performed on the next succeeding Business Day.

11.8 Headings. The headings contained herein are for convenience only, do not constitute a part of this Debenture and shall not be deemed to limit or affect any of the provisions hereof.

11.9 Assumption. [redacted]

IN WITNESS WHEREOF, the Company has caused this Debenture to be duly executed by its duly authorized officer.

PARTTEC, LTD.

By: _____

Printed: Herschel Workman

Its: Chief Executive Officer

COPY

ANNEX A

NOTICE OF CONVERSION

The undersigned hereby elects to convert principal under the 7% Unsecured Convertible Debenture of PartTec, Ltd., an Indiana corporation (the "Company"), due on December 31, 2018, into shares of common stock, no par value per share (the "Common Stock"), of the Company according to the conditions hereof, as of the date written below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the holder for any conversion, except for such transfer taxes, if any.

The undersigned agrees to comply with the applicable securities laws in connection with any transfer of the aforesaid shares of Common Stock.

Conversion calculations: _____

Date to effect conversion: _____

Principal Amount of Debenture to be converted: $_____

Number of shares of Common Stock to be issued: _____

Signature: _____

Name: _____

Address: _____

_____