UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A-1

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 28, 2014**

CORE RESOURCE MANAGEMENT, INC.

(Exact name of registrant as specified in its charter)

Nevada	**000-55010**	**46-2029981**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

3131 E. Camelback Road **Suite 211** **Phoenix, AZ**	**85016**
(Address of principle executive offices)	(Zip Code)

Registrant's telephone number, including area code: **602-314-3230**

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 (see General Instruction A.2. below):

☐ 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 240.1 4a- 12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.1 4d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.1 3e-4(c))

THIS REVISED AND UPDATED CURRENT REPORT ON FORM 8-K REFLECTS THE STATUS ON AUGUST 28, 2014, OF THE ACQUISITION BY THE REGISTRANT OF NITRO PETROLEUM INCORPORATED

Item 1.01. Entry Into a Material Definitive Agreement.

On August 7, 2014, the Registrant entered into a letter agreement in principle with Nitro Petroleum Incorporated, a reporting company whose common stock is traded on the QB Tier of the U.S. OTC Markets and is quoted under the symbol "NTRO" ("Nitro"), to acquire all of the outstanding common stock of Nitro through the merger of a wholly-owned subsidiary of the Registrant with and into Nitro. Subsequently, on August 28, 2014, the Registrant and Nitro, together with Core Resource Management Holding Co. ("CRMI-H"), the wholly-owned subsidiary of the Registrant, entered into an Agreement and Plan of Merger (the "Merger Agreement"), pursuant to which, subject to the satisfaction or waiver of certain conditions, CRMI-H will merge with and into Nitro (the "Merger"), with Nitro becoming a wholly-owned subsidiary of the Registrant.

Upon the consummation of the Merger, based on the number of shares of Nitro common stock outstanding on August 28, 2014, each outstanding share of Nitro common stock (other than shares held by those Nitro stockholders properly exercising dissenters' rights) would be converted into .0952 shares of the Registrant's common stock (Ratio 10.5 to 1). The number of shares of the Registrant's common stock that may actually be issued with respect to a share of Nitro common stock may be modified in the event additional shares of Nitro common stock are issued prior to the consummation of the Merger. Nitro stockholders will receive cash in lieu of fractional shares of the Registrant. The Registrant is required to file an S-4 registration statement with the Securities and Exchange Commission to register all shares of common stock issuable to the Nitro shareholders upon consummation of the Merger. The Merger is subject to the approval of Nitro's stockholders.

Mr. James Borem, the current Chief Executive Officer and Chairman of the Board of Nitro, has entered into a two year employment agreement with the Registrant to serve as Chief Operating Officer - Field Unit of the Registrant. Mr. James Clark, the Registrant's present President and Chief Executive Officer will continue to serve in that capacity post-merger. Mr. Phillip Nuciola III, will remain Chairman of the Board of the Registrant post-merger.

Item 9.01. Financial Statements And Exhibits.

(c) *Exhibits*. The following exhibit has been filed as a part of this Current Report:

Exhibit Number	Description of Exhibit
10.1	Letter agreement in principle dated August 7, 2014, by and between Core Resource Management, Inc. and Nitro Petroleum Incorporated. *
10.2	Letter agreement regarding exclusivity dated August 7, 2014, by and between Core Resource Management, Inc. and Nitro Petroleum Incorporated. *
10.3	Agreement and Plan of Merger between Core Resource Management, Inc., Core Resource Management Holdings Co. and Nitro Petroleum, Inc. dated as of August 28, 2014. **
10.4	Employment Agreement between Core Resource Management, Inc. and James Borem dated August 1, 2014. **

* Previously Filed

** Filed Herewith

SIGNATURES

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

CORE RESOURCE MANAGEMENT, INC.

By: /s/ James D. Clark
Its: President

DATED: September 4, 2014

EXHIBIT INDEX

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* Previously Filed

** Filed Herewith

Exhibit 10.3

AGREEMENT AND PLAN OF MERGER

between

CORE RESOURCE MANAGEMENT, INC.

and

CORE RESOURCE MANAGEMENT HOLDING CO.

and

NITRO PETROLEUM, INC.

dated as of

August 28, 2014

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "**Agreement**"), is entered into as of August 24, 2014 by and among Nitro Petroleum, a Nevada corporation (the "**Company**"), Core Resource Management, Inc., a Nevada corporation ("**Parent**"), and Core Resource Management Subsidiary, a Nevada corporation and a wholly-owned Subsidiary of Parent ("**Merger Sub**" or "**Holding Co.**"). Capitalized terms used herein (including in the immediately preceding sentence) and not otherwise defined herein shall have the meanings set forth in **8.01** hereof.

RECITALS

WHEREAS, the parties intend that Merger Subsidiary be merged with and into the Company, with the Company surviving that merger on the terms and subject to the conditions set forth herein;

WHEREAS, in the Merger, upon the terms and subject to the conditions of this Agreement, each share of common stock (OTCQB: NTRO), duly authorized and registered, of the Company (the "**Company Common Stock**") will be converted into the right to receive the Merger Consideration; As described below Core Resource Management, Inc. Shares that will be Consideration for this transaction will be provided at the ratio of 10.5 shares of NTRO for 1 share of CRMI, and shall become full and fair payment as agreed by management, directors, and shareholders.

WHEREAS, the Board of Directors of the NITRO Petroleum, Inc. (the "**Company Board**") has unanimously (a) determined that it is in the best interests of the Company and its stockholders, and declared it advisable, to enter into this Agreement with Parent and Merger Subsidiary, (b) approved the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the Merger, and (c) resolved, subject to the terms and conditions set forth in this Agreement, to recommend adoption of this Agreement by the stockholders of the Company;

WHEREAS, the respective Boards of Directors of Core Resource Management, Inc. and Core Resource Management, Inc. and Core Resource Management Holding Co. SUBSIDIARY Parent and Merger Subsidiary have, on the terms and subject to the conditions set forth in this Agreement, unanimously approved this Agreement; and

WHEREAS, the parties desire to make certain representations, warranties, covenants and agreements in connection with the Merger and the transactions contemplated by this Agreement and also to prescribe certain conditions to the Merger.

NOW, THEREFORE, in consideration of the foregoing and of the representations, warranties, covenants and agreements contained in this Agreement, the parties, intending to be legally bound, agree as follows:

ARTICLE I
The Merger

Section 1.01 The Merger. On the terms and subject to the conditions set forth in this Agreement, and in accordance with the **Nevada Revised Statutes of Corporations** (the "**NRSC**"), at the Time of 5:00 PM PST on August 27, 2014 and as soon after as approved by regulation, (a) Merger Subsidiary will merge with and into the Company (the "**Merger**"), and (b) the separate corporate existence of Merger Subsidiary will cease and the Company will continue its corporate existence under Nevada Law and the NGCL as the surviving corporation in the Merger (sometimes referred to herein as the "**Surviving Corporation**" and exist as a wholly owned subsidiary of Core Resource Management, Inc.).

Section 1.02 Closing. Upon the terms and subject to the conditions set forth herein, the closing of the Merger (the "**Closing**") will take place at **5pm CST on August 27, 2014** in Shawnee, Oklahoma, as soon as practicable (and, in any event, within three (3) Business Days) after satisfaction or, to the extent permitted hereunder, waiver of all conditions to the Merger set forth in **Article VI** (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permitted hereunder, waiver of all such conditions), unless this Agreement has been terminated pursuant to its terms or unless another time or date is agreed to in writing by the parties hereto. The Closing shall be held at the offices of **Nitro Petroleum, Inc.,** 624 W. Independence, STE 101, Shawnee, OK 74804, unless another place is agreed to in writing by the parties hereto, and the actual date of the Closing is hereinafter referred to as the "**Closing Date**".

Section 1.03 Effective Time. Subject to the provisions of this Agreement, at the Closing, the Company, Parent and Merger Subsidiary will cause a **ARTICLES OF MERGER** (the "**Articles of Merger**") to be executed, acknowledged and filed with the Secretary of State of the State of Nevada in accordance with the relevant provisions of the NRSC and shall make all other filings or recordings required under the NRSC. The Merger will become effective at such time as the Articles of Merger has been duly filed with the Secretary of State of the State of Nevada or at such later date or time as may be agreed by the Company and Parent in writing and specified in the Articles of Merger in accordance with the NRSC (the effective time of the Merger being hereinafter referred to as the "**Effective Time**").

Section 1.04 Effects of the Merger. The Merger shall have the effects set forth herein and in the applicable provisions of the NRSC. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, All Property, Rights, Privileges, Immunities, Powers, Licenses and authority of the Company and Merger Subsidiary shall vest in the Surviving Corporation; Tax Loss Carry-Forwards, Net Operating Loss, and all debts, liabilities, obligations, restrictions and duties of each of the Company and Merger Subsidiary shall become the Debts, Liabilities, Obligations, restrictions and duties of the Surviving Corporation.

Section 1.05 Certificate of Incorporation; By-laws. At the Effective Time, (a) the certificate of incorporation of the Company shall be amended so as to read in its entirety as set forth in Exhibit A, and, as so amended, shall be the Certificate of Incorporation of the Surviving Corporation until thereafter amended in accordance with the terms thereof or as provided by Nevada and Federal Law, and (b) the By-laws of Merger Subsidiary as in effect immediately prior to the Effective Time shall be the by-laws of the Surviving Corporation until thereafter amended in accordance with the terms thereof, the certificate of incorporation of the Surviving Corporation or as provided by applicable Law. As of the date of this agreement, Core Resource Management, Inc. Board of Directors have approved the By-laws of Nitro Petroleum to be adopted as amended by Core Resource Management, Inc. and agreed upon by Core Resource Management, Inc. Board of Directors, pending the successful completion of the Merger.

Section 1.06 Directors and Officers. The directors and officers of Core Resource Management Holding Co., in each case, immediately prior to the **Effective Time** shall, from and after the Effective Time, be the directors and officers, respectively, of the Surviving Corporation until their successors have been duly elected or appointed and qualified by terms of the amended by-laws re-election, or until their earlier death, resignation or removal in accordance with the certificate of incorporation and by-laws of the Surviving Corporation.

ARTICLE II
Effect of the Merger on Capital Stock

Section 2.01 Effect of the Merger on Capital Stock. At the **Effective Time**, as a result of the Merger and without any action on the part of Parent, Merger Subsidiary or the Company or the holder of any capital stock of Parent, Merger Subsidiary or the Company:

(a) **Cancellation of Certain Company Common Stock.** Each share of **Company Common Stock** that is owned by Parent, Merger Subsidiary or the Company (as treasury stock or otherwise) will automatically be cancelled and retired and will cease to exist, and no consideration will be delivered in exchange therefor.

(b) **Conversion of Company Common Stock.** Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than (i) shares to be cancelled and retired in accordance with **Section 2.01(a)**, and (ii) Dissenting Shares) will be converted into the right to receive .0952 shares of Core Resource Management, Inc. common stock, OTCQB: CRMI (**Exchange Ratio** of 10.5 shares NTRO to 1share CRMI "Exchange Ratio") (the "**Merger Consideration**"). This conversion ratio was based on a Premium to market price of NTRO shares based on a full evaluation and approval of Nitro Petroleum, Inc. management and its experts.

(c) **Cancellation of shares.** At the Effective Time, all shares of NTRO Common Stock will no longer be outstanding and all shares of NTRO Common Stock will be cancelled and retired and will cease to exist, and, subject to **Section 2.01(a**), each holder of a certificate formerly representing any such shares (each, a "**Certificate**") will cease to have any rights with respect thereto, except the right to receive the Merger Consideration in accordance with **Section 2.02** hereof.

(d) **Conversion of Merger Subsidiary Capital Stock.** Each share of common stock, par value $0.001 per share, of Merger Subsidiary issued and outstanding immediately prior to the Effective Time shall be converted into and become one newly issued, fully paid and non-assessable share of common stock of the Surviving Corporation.

Section 2.02 Surrender and Payment.

(a) Prior to the Effective Time, Parent shall appoint **HOLLADAY STOCK TRANSFER**, **INC**. with an address of 2939 North 67th Place, Scottsdale, AZ 85251 as exchange agent reasonably acceptable to the Company (the "**Exchange Agent**") to act as the agent for the purpose of exchanging for the Merger Consideration for: (i) the Certificates, or (ii) book-entry shares which immediately prior to the Effective Time represented the shares of Company Common Stock (the "**Book-Entry Shares**").

On and after the Effective Time, Parent shall deposit, or cause the Surviving Corporation to deposit, with the Exchange Agent, sufficient shares to pay the aggregate Merger Consideration that is payable in respect of all of the shares of Company Common Stock represented by the Certificates and the Book-Entry Shares (the "**Payment Shares Fund**") in amounts and at the times necessary for such payments. The Payment Shares shall not be used for any other purpose.

The **Surviving Corporation** shall pay all charges and expenses, including those of the Exchange Agent, in connection with the exchange of Shares for the Merger Consideration. Promptly after the **Effective Time**, Parent shall send, or shall cause the Exchange Agent to send, to each record holder of shares of Company Common Stock at the Effective Time, a letter of transmittal and instructions (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the Certificates or transfer of the Book-Entry Shares to the Exchange Agent) for use in such exchange.

(b) Each holder of shares of Company Common Stock that have been converted into the right to receive the Merger Consideration shall be entitled to receive the Merger Consideration in respect of the Company Common Stock represented by a Certificate or Book-Entry Share upon:

(i) surrender to the Exchange Agent of a Certificate, together with a duly completed and validly executed letter of transmittal and such other documents as may reasonably be requested by the Exchange Agent, or

(ii) receipt of an "agent's message" by the Exchange Agent (or such other evidence, if any, of transfer as the Exchange Agent may reasonably request) in the case of Book-Entry Shares. Until so surrendered or transferred, as the case may be, and subject to the terms set forth in **Section 2.03**, each such Certificate or Book-Entry Share, as applicable, shall represent after the Effective Time for all purposes only the right to receive the Merger Consideration payable in respect thereof.

(iii) No interest shall be paid or accrued upon the surrender or transfer of any Certificate or Book-Entry Share.

(iv) Upon payment of the Merger Consideration pursuant to the provisions of this **Article II**, each Certificate or Certificates so surrendered shall immediately be cancelled.

(c) If any portion of the Merger Consideration is to be paid to a Person other than the Person in whose name the surrendered Certificate or the transferred Book-Entry Share, as applicable, is registered, it shall be a condition to such payment that (i) such Certificate shall be properly endorsed or shall otherwise be in proper form for transfer or such Book-Entry Share shall be properly transferred, and (ii) the Person requesting such share payment shall pay to the Exchange Agent any transfer or other Tax required as a result of such share payment to a Person other than the registered holder of such Certificate or Book-Entry Share, as applicable, or establish to the reasonable satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(d) All Merger Consideration paid upon the surrender of Certificates or transfer of Book-Entry Shares in accordance with the terms hereof shall be deemed to have been paid in full satisfaction of all rights pertaining to the shares of Company Common Stock formerly represented by such Certificate or Book-Entry Shares, and from and after the Effective Time, there shall be no further registration of transfers of shares of Company Common Stock on the stock transfer books of the Surviving Corporation. If, after the Effective Time, Certificates or Book-Entry Shares are presented to the Surviving Corporation, they shall be cancelled and exchanged for the Merger Consideration provided for, and in accordance with the procedures set forth, in this **Article II**.

(e) Any portion of the Payment Fund that remains unclaimed by the holders of Shares, FOUR ("4") months after the Effective Time, shall be returned to Parent, upon demand, and any such holder who has not exchanged shares of Company Common Stock for the Merger Consideration in accordance with this **Section 2.02** prior to that time shall thereafter look only to Parent for payment of the Merger Consideration. Notwithstanding the foregoing, Parent shall not be liable to any holder of shares of Company Common Stock for any amounts paid to a public official pursuant to applicable abandoned property, escheat or similar Laws. Any amounts remaining unclaimed by holders of shares of Company Common Stock ONE ("1") year after the Effective Time shall become, to the extent permitted by applicable Law, the property of Parent, free and clear of any claims or interest of any Person previously entitled thereto.

(f) Any portion of the Merger Consideration made available to the Exchange Agent in respect of any Dissenting Shares shall be returned to Parent, upon demand.

Section 2.03 Dissenting Shares. Notwithstanding any provision of this Agreement to the contrary, including **Section 2.01**, shares of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares cancelled in accordance with **Section 2.01(a))** and held by a holder who has not voted in favor of adoption of this Agreement or consented thereto in writing and who has properly exercised appraisal rights of such shares in accordance with NRSC Section 92A.300 of the NRSC (such shares of Company Common Stock being referred to collectively as the "**Dissenting Shares**" until such time as such holder fails to perfect or otherwise loses such holder's appraisal rights under the NRSC with respect to such shares) shall not be converted into a right to receive the Merger Consideration, but instead shall be entitled to only such rights as are granted by NRSC Section 92A.300 of the NRSC; *provided, however,* that if, after the Effective Time, such holder fails to perfect, withdraws or loses such holder's right to appraisal pursuant to NRSC Section 92A.480of the NRSC or if a court of competent jurisdiction shall determine that such holder is not entitled to the relief provided by NRSC Section 92A.480 of the NRSC, such shares of Company Common Stock shall be treated as if they had been converted as of the Effective Time into the right to receive the Merger Consideration in accordance with **Section 2.01(b)**, without interest thereon, upon surrender of such Certificate formerly representing such share or transfer of such Book-Entry Share, as the case may be.

The Company shall provide Parent prompt written notice of any demands received by the Company for appraisal of shares of Company Common Stock, any withdrawal of any such demand and any other demand, notice or instrument delivered to the Company prior to the Effective Time pursuant to the NRSC that relates to such demand, and Parent shall have the opportunity and right to direct all negotiations and proceedings with respect to such demands. Except with the prior written consent of Parent, the Company shall not make any payment with respect to, or settle or offer to settle, any such demands.

Section 2.04 Adjustments. Without limiting the other provisions of this Agreement, if at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of capital stock of the Company shall occur (other than the issuance of additional shares of capital stock of the Company as permitted by this Agreement), including by reason of any reclassification, recapitalization, stock split (including reverse stock split) or combination, exchange or readjustment of shares, or any stock dividend or distribution paid in stock, the Merger Consideration and any other amounts payable pursuant to this Agreement shall be appropriately adjusted to reflect such change.

Section 2.05 Withholding Rights. Each of the Exchange Agent, Parent, Merger Subsidiary and the Surviving Corporation shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this **Article II** such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Internal Revenue Code of 1986, as amended, and applicable Treasury Regulations issued pursuant thereto (the "**Code**"), or any provision of state, local or foreign Tax Law. To the extent that amounts are so deducted and withheld by the Exchange Agent, Parent, Merger Subsidiary or the Surviving Corporation, as the case may be, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which the Exchange Agent, Parent, Merger Subsidiary or the Surviving Corporation, as the case may be, made such deduction and withholding.

Section 2.06 Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by Parent, the posting by such Person of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration to be paid in respect of the Shares formerly represented by such Certificate as contemplated under this **Article II**.

Section 2.07 Treatment of Stock Options and Other Stock-based Compensation.

(a) The Company shall take all requisite action so that, at the Effective Time, each option to acquire shares of Company Common Stock (each, a "**Company Stock Option**") that is outstanding immediately prior to the Effective Time, whether or not then vested or exercisable, shall be, by virtue of the Merger and without any action on the part of Parent, Merger Subsidiary, the Company, the holder of that Company Stock Option or any other Person, cancelled and converted into the right to receive from Parent and the Surviving Corporation, as promptly as reasonably practicable after the Effective Time, an amount in cash, without interest, equal to the product of (x) the aggregate number of shares of Company Common Stock subject to such Company Stock Option, multiplied by (y) the excess, if any, of the Merger Consideration over the per share exercise price under such Company Stock Option, less any Taxes required to be withheld in accordance with. **Section 2.05**. **(X × Y – tax = option conversion price)**

(b) The Company shall take all requisite action so that, at the **Effective Time**, each restricted stock unit award and other right, contingent or accrued, to acquire or receive shares of Company Common Stock or benefits measured by the value of such shares, and each award of any kind consisting of shares of Company Common Stock that may be held, awarded, outstanding, payable or reserved for issuance under any Company Stock Plan (as defined below), other than Company Stock Options (each, a "**Company Stock Award**") immediately prior to the Effective Time, whether or not then vested or exercisable, shall be, by virtue of the Merger and without any action on the part of Parent, Merger Sub, the Company, the holder of that Company Stock Award or any other Person, cancelled and converted into the right to receive from Parent and the Surviving Corporation, as promptly as reasonably practicable after the Effective Time, an amount in cash, without interest, equal to the product of (A) the aggregate number of shares of Company Common Stock in respect of such Company Stock Award multiplied by (B) the Merger Consideration, less any Taxes required to be withheld in accordance with **Section 2.05**.

(c) At or prior to the Effective Time, the Company, the Company Board and the compensation committee of such board, as applicable, shall adopt any resolutions and take any actions (including obtaining any employee consents) that may be necessary to effectuate the provisions of paragraphs (a), (b) and (c) of this **Section 2.07**. This shall include any of NITRO's Employee stock plans, whether if options or held by Company for future release.

Section 2.08 Treatment of Warrants. At the Effective Time, and in accordance with the terms of each warrant to purchase shares of Company Common Stock that is listed on **Section 2.08** of the Company Disclosure Letter (collectively, the "**Warrants**") and that is issued and outstanding immediately prior to the Effective Time, unless otherwise elected by the holder of any such Warrant, Parent shall cause the Surviving Corporation to issue a replacement warrant to each holder thereof providing that such replacement warrant shall be exercisable for an amount in cash, without interest, equal to the product of (A) the aggregate number of shares of Company Common Stock in respect of such Warrant multiplied by (B) the excess, if any, of the Merger Consideration over the per share exercise price under such Warrant. From and after the Closing, Parent shall cause the Surviving Corporation to comply with all of the terms and conditions set forth in each such replacement warrant, including the obligation to make the payments contemplated thereby upon exercise thereof.

ARTICLE III
Representations and Warranties of the Company

Except as set forth in the correspondingly numbered Section of the disclosure letter, dated the date of this Agreement and delivered by the Company to Parent prior to the execution of this Agreement (the "**Company Disclosure Letter**"), the Company hereby represents and warrants to Parent and Merger Subsidiary as follows:

Section 3.01 Organization; Standing and Power; Charter Documents; Minutes; Subsidiaries.

(a) **Organization; Standing and Power.** Nitro Petroleum is a corporation, duly organized, validly existing and in good standing under the Laws of Nevada, and has the requisite corporate power and authority to own, lease and operate its assets and to carry on its business as now conducted. The Company is duly qualified or licensed to do business and is in good standing in each jurisdiction where the character of the assets and properties owned, leased or operated by it or the nature of its business makes such qualification or license necessary.

(b) **Charter Documents.** The Company has delivered or made available to Parent a true and correct copy of the certificate of incorporation (including any certificate of designations), and by-laws, each as amended to date (August 28, 2014) (collectively, the "**Charter Documents**"), of the Company. The Company is not in violation of any of the provisions of its Charter Documents.

(c) **Minutes.** The Company has made available to Parent true and correct copies of the minutes (or, in the case of minutes that have not yet been finalized, a brief summary of the meeting) of all meetings of stockholders, the Company Board and each committee of the Company Board since January 1, 2010.

Section 3.02 Capital Structure.

(a) **Capital Stock.** The authorized capital stock of the NTRO consists of: (i) Twenty Million Shares (“20,000,000”) Shares (the " **Authorized Shares**"). As of the close of business on August 24, 2014, As of the date of this Agreement 7,322,894 Shares were issued and outstanding, (A) 12,677,106 Shares were issued and held by the Company in its treasury and (B) no shares of Company Preferred Stock were issued and outstanding or held by the Company in its treasury, and since July 1,2014 and through the date hereof, no additional Shares or shares of Company Preferred Stock have been issued other than the issuance of Shares upon the exercise or settlement of Company Equity Awards. All of the outstanding shares of capital stock of the Company are, and all shares of capital stock of the Company which may be issued as contemplated or permitted by this Agreement will be, when issued, duly authorized and validly issued, fully paid and non-assessable and not subject to any pre-emptive rights. No Subsidiary of the Company owns any Shares.

(b) **Stock Awards**

(i) Except for the Company Stock Plans and as set forth in **Section III(c)(ii)** of the Company Disclosure Letter, there are no Contracts to which the Company is a party obligating the Company to accelerate the vesting of any Company Equity Award as a result of the transactions contemplated by this Agreement (whether alone or upon the occurrence of any additional or subsequent events). Other than the Company Warrants, as of the date hereof, there are no outstanding (A) securities of the Company or any of its Subsidiaries convertible into or exchangeable for Voting Debt or shares of capital stock of the Company, (B) options, warrants or other agreements or commitments to acquire from the Company or any of its Subsidiaries, or obligations of the Company or any of its Subsidiaries to issue, any Voting Debt or shares of capital stock of (or securities convertible into or exchangeable for shares of capital stock of) the Company or (C) restricted shares, restricted stock units, stock appreciation rights, performance shares, profit participation rights, contingent value rights, "phantom" stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any shares of capital stock of the Company, in each case that have been issued by the Company or its Subsidiaries (the items in clauses (A), (B) and (C), together with the capital stock of the Company, being referred to collectively as "**Company Securities**"). All outstanding shares of Company Common Stock, all outstanding Company Equity Awards, all outstanding Warrants and all outstanding shares of capital stock, voting securities or other ownership interests have been issued or granted, as applicable, in compliance in all material respects with all applicable securities Law.

(ii) Except as set forth in the Warrants there are no outstanding Contracts requiring the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Company Securities or Company Subsidiary Securities. Neither the Company nor any of its Subsidiaries is a party to any voting agreement with respect to any Company Securities or Company Subsidiary Securities.

(c) **Voting Debt; Warrants.** No bonds, debentures, notes or other indebtedness issued by the Company or any of its Subsidiaries (i) having the right to vote on any matters on which stockholders or equity-holders of the Company or any of its Subsidiaries may vote (or which is convertible into, or exchangeable for, securities having such right), or (ii) the value of which is directly based upon or derived from the capital stock, voting securities or other ownership interests of the Company or any of its Subsidiaries, are issued or outstanding (collectively, "**Voting Debt**"). As of the date hereof, an aggregate of (A) 6,041,247 shares of Company Common Stock are subject to, and 6,041,247 shares of Company Common Stock are reserved for issuance upon exercise of, the Warrants.

Section 3.03 Authority; Non-contravention; Governmental Consents.

(a) **Authority.** Nitro Petroleum, Inc. has all requisite corporate power and authority to enter into and to perform its obligations under this Agreement and, subject to, in the case of the consummation of the Merger, adoption of this Agreement by the affirmative vote or consent of the holders of a majority of the outstanding shares of Company Common Stock (the "**Requisite Company Vote**"), to consummate the transactions contemplated by this Agreement.

(b) The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby has been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize the execution and delivery of this Agreement or to consummate the Merger and the other transactions contemplated hereby, subject only, in the case of consummation of the Merger, to the receipt of the Requisite Company Vote. The Requisite Company Vote is the only vote or consent of the holders of any class or series of the Company's capital stock necessary to approve and adopt this Agreement, approve the Merger and consummate the Merger and the other transactions contemplated hereby.

This Agreement has been duly executed and delivered by the Company and, assuming due execution and delivery by Parent and Merger Subsidiary, constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium and other similar Laws affecting creditors' rights generally and by general principles of equity.

(c) **Non-contravention.** The execution, delivery and performance of this Agreement by the Company, and the consummation by the Company of the transactions contemplated by this Agreement, including the Merger, do not and will not:

(ii) contravene or conflict with, or result in any violation or breach of, the Charter Documents of the Company;

(iii) subject to compliance with the requirements set forth in clauses (i) through (v) of **Section 3.03(c)** and, in the case of the consummation of the Merger, obtaining the Requisite Company Vote, conflict with or violate any Law applicable to the Company, any of its Subsidiaries or any of their respective properties or assets;

(iv) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation, or require any Consent under, any Contract to which the Company or any of its Subsidiaries is a party or otherwise bound as of the date hereof; or

(v) result in the creation of a Lien (other than Permitted Liens) on any of the properties or assets of the Company or any of its Subsidiaries, except, in the case of each of clauses (ii), (iii) and (iv), for any conflicts, violations, breaches, defaults, alterations, terminations, amendments, accelerations, cancellations or Liens, or where the failure to obtain any Consents, in each case, would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(d) **Governmental Consents.** No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to (any of the foregoing being a "**Consent**"), any supranational, national, state, municipal, local or foreign government, any instrumentality, subdivision, court, administrative agency or commission or other governmental authority, or any quasi-governmental or private body exercising any regulatory or other governmental or quasi-governmental authority (a "**Governmental Entity**") is required to be obtained or made by the Company in connection with the execution, delivery and performance by the Company of this Agreement or the consummation by the Company of the Merger and other transactions contemplated hereby, except for:

(i) the filing of the Articles of Merger with the Secretary of State of the State of Nevada;

(ii) the filing of the Company Proxy Statement with the Securities and Exchange Commission ("**SEC**") in accordance with the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and such reports under the Exchange Act as may be required in connection with this Agreement, the Merger and the other transactions contemplated by this Agreement;

(iii) such Consents as may be required under (A) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**") in any case that are applicable to the transactions contemplated by this Agreement;

(iv) such Consents as may be required under Nevada state securities or "blue sky" Laws

(v) the other Consents of Governmental Entities listed in **Section 3.03 (c)** of the Company Disclosure Letter; and

(vi) such other Consents which if not obtained or made would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(e) **Board Approval.** The Nitro Petroleum, Inc. Company Board, by resolutions duly adopted by unanimous vote at a meeting of all directors of the Company duly called and held and, as of the date hereof (August 24, 2014), not subsequently rescinded or modified in any way, has, as of the date hereof (August 24, 2014) (i) determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair to, and in the best interests of, the Company's stockholders, (ii) approved and declared advisable the "agreement of merger" (as such term is used in NRSC Section 92A.100 of the NRSC) contained in this Agreement and the transactions contemplated by this Agreement, including the Merger, in accordance with the NRSC, (iii) directed that the "agreement of merger" contained in this Agreement be submitted to Company's stockholders for adoption, and (iv) resolved to recommend that Company stockholders adopt the "agreement of merger" set forth in this Agreement (collectively, the "**Company Board Recommendation**") and directed that such matter be submitted for consideration of the stockholders of the Company at the Company Stockholders Meeting.

(f) **Takeover Statutes.** No "fair price," "moratorium," "control share acquisition," "business combination" or other similar anti-takeover statute or regulation (including NRSC Sections 78.195, 78.350, and 78.378 of the NRSC) enacted under any federal, state, local or foreign laws applicable to the Company is applicable to this Agreement, the Merger or any of the other transactions contemplated by this Agreement. The Company Board has taken all actions so that the restrictions contained in NRSC Sections 78.411-78.444 of the NRSC applicable to a "business combination" (as defined in such NRSC Sections 78.411-78.444) will not apply to the execution, delivery or performance of this Agreement and the consummation of the Merger and the other transactions contemplated hereby.

Section 3.04 SEC Filings; Financial Statements; Internal Controls; Sarbanes-Oxley Act Compliance.

(a) **SEC Filings.** The Company has timely filed with or furnished to, as applicable, the SEC all registration statements, prospectuses, reports, schedules, forms, statements and other documents (including exhibits and all other information incorporated by reference) required to be filed or furnished by it with the SEC since January 1, 2010 (the "**Company SEC Documents**"). The Company has made available to Parent all such Company SEC Documents, since Company was first required to report that it has so filed or furnished prior to the date hereof. As of their respective filing dates (or, if amended or superseded by a subsequent filing, as of the date of the last such amendment or superseding filing prior to the date hereof), each of the Company SEC Documents complied as to form in all material respects with the applicable requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Exchange Act, and the rules and regulations of the SEC thereunder applicable to such Company SEC Documents. None of the Company SEC Documents, including any financial statements, schedules or exhibits included or incorporated by reference therein at the time they were filed (or, if amended or superseded by a subsequent filing, as of the date of the last such amendment or superseding filing prior to the date hereof), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) **Financial Statements.** Each of the consolidated financial statements (including, in each case, any related notes thereto) contained in the Company SEC Documents: (i) complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto as of their respective dates; (ii) was prepared in accordance with United States Generally Accepted Accounting Principles ("**GAAP**") applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto and, in the case of unaudited interim financial statements, as may be permitted by the SEC for Quarterly Reports on Form 10-Q);

(c) **Internal Controls.** The Company has established and maintains a system of "internal controls over financial reporting" (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act Managements report over internal controls) that is sufficient to provide reasonable assurance (i) regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, (ii) that receipts and expenditures of the Company are being made only in accordance with authorizations of management and the Company Board, and (iii) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements.

(d) **Disclosure Controls and Procedures.** The Company's "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) Managements reporting of financial controls as mandated by SOX of the Exchange Act) are designed to ensure that all information (both financial and non-financial) required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the chief executive officer and chief financial officer of the Company required under the Exchange Act with respect to such reports. The Company has disclosed, based on its most recent evaluation of such disclosure controls and procedures prior to the date of this Agreement, to the Company's auditors and the audit committee of the Company Board and on **Section 3.04(d)** of the **Company Disclosure Letter** (i) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that could adversely affect in any material respect the Company's ability to record, process, summarize and report financial information, and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting. For purposes of this Agreement, the terms "significant deficiency" and "material weakness" shall have the meaning assigned to them in Public Company Accounting Oversight Board Auditing Standard 2, as in effect on the date of this Agreement.

(e) **Undisclosed Liabilities.** The audited balance sheet, as filed in last required form 10-K, of the Company dated as of year ending 12/31/2014 filed in March 2014, with no material amendments contained in the Company SEC Documents filed prior to the date hereof is hereinafter referred to as the "**Company Balance Sheet.**" Neither the Company nor any of its Subsidiaries has any Liabilities other than Liabilities that (i) are reflected or recorded on the Company Balance Sheet (including in the notes thereto), (ii) were incurred since the date of the Company Balance Sheet in the ordinary course of business, (iii) are incurred in connection with the transactions contemplated by this Agreement, or (iv) would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(f) **Off-balance Sheet Arrangements.** The Company is Not a party to, or has any commitment to become a party to, any joint venture, off balance sheet partnership or any similar Contract (including any Contract or arrangement relating to any transaction or relationship between or among the Company and any of its Subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity or person, on the other hand, or any "off balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such Contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Company's published financial statements or other Company SEC Documents.

(g) **Sarbanes-Oxley Compliance.** Each of the principal executive officer, Mr. James Borem and the principal financial officer, Mr. Borem, (Interim CFO) of the Company has made all certifications required by Rule 13a-14 or 15d-14 under the Exchange Act and Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 (including the rules and regulations promulgated thereunder, the "**Sarbanes-Oxley Act**") with respect to the Company SEC Documents, and the statements contained in such certifications are true and accurate in all material respects. For purposes of this Agreement, "principal executive officer" and "principal financial officer" shall have the meanings given to such terms in the Sarbanes-Oxley Act. The Company does not have outstanding (nor has arranged or modified since the enactment of the Sarbanes-Oxley Act) any "extensions of credit" (within the meaning of Section 402 of the Sarbanes-Oxley Act) to directors or executive officers (as defined in Rule 3b-7 under the Exchange Act) of the Company. The Company is otherwise in compliance with all applicable provisions of the Sarbanes-Oxley Act and the applicable listing and corporate governance rules of OTCQB exchange, and signed as Management Certification of Financials pursuant to 18 U.S.C., Company officers filed with latest form 10Q statement.

Section 3.05 Absence of Certain Changes or Events. Since the date of the Company Balance Sheet, except in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, the business of the Company has been conducted in the ordinary course of business and there has Not been or occurred:

(a) any Company Material Adverse Effect or any event, condition, change or effect that could reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect; or

(b) any event, condition, action or effect that, if taken during the period from the date of this Agreement through the Effective Time, would constitute a breach of **Section 5.01**. (Conducting business in ordinary and prudent manner.)

Section 3.06 Taxes.

(a) **Tax Returns and Payment of Taxes.** The Company has duly and timely filed or caused to be filed (taking into account any valid extensions) all material Tax Returns required to be filed by them. Such Tax Returns are true, complete and correct in all material respects. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return other than extensions of time to file Tax Returns obtained in the ordinary course of business consistent with past practice. All material Taxes due and owing by the Company or any of its Subsidiaries (whether or not shown on any Tax Return) have been timely paid or, where payment is not yet due, the Company has made an adequate provision for such Taxes in the Company's financial statements (in accordance with GAAP).

The Company's most recent financial statements reflect an adequate reserve (in accordance with GAAP) for all material Taxes payable by the Company and its Subsidiaries through the date of such financial statements. The Company has not incurred any material liability for Taxes since the June 30, 2014 (end of Quarter II) of the Company's most recent financial statements outside the ordinary course of business or otherwise inconsistent with past practice.

(b) **Availability of Tax Returns.** The Company has made available to Parent complete and accurate copies of all federal, state, local and foreign income, franchise and other material Tax Returns filed by or on behalf of the Company or its Subsidiaries for any Tax period ending after December 31, 2011.

(c) **Withholding.** The Company has withheld and paid each material Tax required to have been withheld and paid in connection with amounts paid or owing to any Employee, independent contractor, creditor, customer, shareholder or other party, and materially complied with all information reporting and backup withholding provisions of applicable Law.

(d) **Liens.** There are no Liens for material Taxes upon the assets of the Company or any of its Subsidiaries other than for current Taxes not yet due and payable or for Taxes that are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP has been made in the Company's financial statements.

(e) **Tax Deficiencies and Audits.** No deficiency for any material amount of Taxes which has been proposed, asserted or assessed in writing by any taxing authority against the Company remains unpaid. There are no waivers or extensions of any statute of limitations currently in effect with respect to Taxes of the Company or any of its Subsidiaries. There are no audits, suits, proceedings, investigations, claims, examinations or other administrative or judicial proceedings ongoing or pending with respect to any material Taxes of the Company.

(f) **Tax Jurisdictions.** No claim has ever been made in writing by any taxing authority in a jurisdiction where the Company did not file Tax Returns that the Company may be subject to Tax in that jurisdiction.

(g) **Tax Rulings.** Neither the Company nor any of its Subsidiaries has requested or is the subject of or bound by any private letter ruling, technical advice memorandum or similar ruling or memorandum with any taxing authority with respect to any material Taxes, nor is any such request outstanding.

(h) **Consolidated Groups, Transferee Liability and Tax Agreements.** The Company has NOT been any of the following: (i) has been a member of a group filing Tax Returns on a consolidated, combined, unitary or similar basis,

(ii) has any material liability for Taxes of any Person (other than the Company) under Treasury Regulation Section 1.1502-6 (or any comparable provision of local, state or foreign Law), as a transferee or successor, by Contract, or otherwise, or

(iii) is a party to, bound by or has any material liability under any Tax sharing, allocation or indemnification agreement or arrangement (other than customary Tax indemnifications contained in credit or other commercial agreements the primary purpose of which agreements does not relate to Taxes).

(i) **Change in Accounting Method.** The Company has not agreed to make, nor is it required to make, any adjustment under 26 USC Section 481(a) "Change in Account Methods" of the Code or any comparable provision of state, local or foreign Tax Laws by reason of a change in accounting method or otherwise.

(j) **Post-Closing Tax Items.** The Company and its Subsidiaries will not be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (i) "closing agreement" as described in (authorization and finality) of the Code (or any corresponding or similar provision of state, local or foreign income Tax Law) executed on or prior to the Closing Date, (ii) installment sale or open transaction disposition made on or prior to the Closing Date, or (iii) prepaid amount received on or prior to the Closing Date. (iv) Note: Company will have carry forward tax losses that will remain current and be filed with consolidated statement.

(k) **Ownership Changes.** Without regard to this Agreement, the Company has Not undergone an "ownership change" within the meaning of NRSC Section 382 of the Code. Because no "ownership change" as defined under the code has occurred tax-loss carry forwards are not prohibited by this section.

(l) **US Real Property Holding Corporation.** The Company has not been a United States real property holding corporation (as defined in **Section 897(c)(2)** of the Code) during the applicable period specified in NRSC Section 897(c)(1)(a) of the Code.

(m) **Section 355.** The Company has not been a "distributing corporation" or a "controlled corporation" (as a "spin-off" or otherwise) in connection with a distribution described in Section 355 of the Code.

(n) **Reportable Transactions.** The Company has not been a party to, or a promoter of, a "reportable transaction" within the meaning of **Section 6707A(c)(1)** of the Code and Treasury Regulations Section 1.6011-4(b) ("Failure to include a reportable Transaction.")

Section 3.07 Intellectual Property.

(a) **Certain Owned Company IP. Section 3.07(a)** of the Company Disclosure Letter contains a true and complete list, as of the date hereof, of all: (i) Company-Owned IP that is the subject of any issuance, registration, certificate, application or other filing by, to or with any Governmental Authority or authorized private registrar, including registered Trademarks, registered Copyrights, issued Patents, domain name registrations and pending applications for any of the foregoing; and (ii) material unregistered Company-Owned IP.

(b) **Right to Use; Title.** The Company is the sole and exclusive owner of all right, title and interest in and to, or has the valid right to use all Intellectual Property trademarks, and service marks used or held for use in or necessary for the conduct of the business of the Company and its Subsidiaries as currently conducted and contemplated ("**Company IP**"), free and clear of all Liens other than Permitted Liens, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) **Validity and Enforceability.** The Company's rights in the Company-Owned IP are valid, subsisting and enforceable, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. The Company has taken reasonable steps to maintain the Company IP and to protect and preserve the confidentiality of all Trade Secrets, know-how, and contacts, Trademarks and Service marks included in the Company IP, except where the failure to take such actions would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(d) **Company IP Agreements. Section 3.07(d)** of the Company Disclosure Letter contains a complete and accurate list of all Company IP Agreements. The consummation of the transactions contemplated hereunder will not result in the loss or impairment of any rights of the Company or any of its Subsidiaries under any of the Company IP Agreements, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(e) **Non-Infringement.** Except as would not be reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) the conduct of the businesses of the Company has not infringed, misappropriated or otherwise violated, and is not infringing, misappropriating or otherwise violating, any Intellectual Property of any other Person; and (ii) to the Knowledge of the Company, no third party is infringing upon, violating or misappropriating any Company Intellectual Property.

Section 3.08 Compliance; Permits.

(a) **Compliance.** The Company is and, since public reporting began, through execution of binding letter of intent up to execution of this agreement has been in compliance with, all Laws or Orders applicable to the Company or any of its Subsidiaries or by which the Company or any of its Subsidiaries or any of their respective businesses or properties is bound, except for such non-compliance that would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Up to August 22, 2014, No Governmental Entity has issued any notice or notification stating that the Company or any of its Subsidiaries is not in compliance with any Law, except where such non-compliance would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. It is not expected that any such compliance action is reasonably expected in the near future.

(b) **Permits.** The Company holds, to the extent legally required to operate their respective businesses as such businesses are being operated as of the date hereof, all permits, licenses, clearances, authorizations and approvals from Governmental Entities (collectively, "**Permits**"), except for any Permits for which the failure to obtain or hold would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. All oil and gas specific permits are current and in effect to properly utilize assets for business purposes. No suspension or cancellation of any Permits of the Company is pending or, to the Knowledge of the Company, threatened, except for any such suspension or cancellation which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. The Company, up to August 22, 2014, has been in compliance with the terms of all Permits, except where the failure to be in such compliance would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.09 Litigation. As of the date hereof, there is no claim, action, suit, arbitration, proceeding or, to the Knowledge of the Company, governmental investigation (each, a "**Legal Action**"), pending, or to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries or any of their respective properties or assets or, to the Knowledge of the Company, any executive officer or director of the Company or any of its Subsidiaries in their capacities as such, in each case by or before any Governmental Entity, other than any such Legal Action that (a) does not involve an amount in controversy in excess of TWENTY FIVE Thousand Dollars (“$25,000”) and (b) does not seek material injunctive or other material non-monetary relief. The Company is not subject to any order, writ, assessment, decision, injunction, decree, ruling or judgment of a Governmental Entity ("**Order**"), whether temporary, preliminary or permanent, which would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.10 Regulatory Actions or Inquiries. As of the date hereof, to the Knowledge of the Company, there are no SEC inquiries or investigations, other governmental inquiries or investigations or internal investigations pending or, to the Knowledge of the Company, threatened, in each case regarding any accounting practices of the Company or any of its Subsidiaries or any malfeasance by any executive officer of the Company.

Section 3.11 Brokers' and Finders' Fees. The Company has not incurred, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

Section 3.12 Related Party Transactions. No executive officer or director of the Company or any person owning 5% or more of the shares of Company Common Stock (or any of such person's immediate family members or Affiliates or associates) is a party to any Contract with or binding upon the Company or any of its Subsidiaries set up for this purpose or any of their respective assets, rights or properties or has any interest in any property owned by the Company or any of its Subsidiaries or has engaged in any transaction with any of the foregoing within the last Twelve ("12") months.

Section 3.13 Employee Matters.

(a) **Schedule. Section 3.12(a)** of the **COMPANY DISCLOSURE LETTER** contains an accurate and complete list, as of the date hereof, of each material plan, program, policy, agreement, collective bargaining agreement or other arrangement providing for compensation, severance, deferred compensation, performance awards, stock or stock-based awards, fringe, retirement, death, disability or medical benefits or other employee benefits or remuneration of any kind, including each employment, severance, retention, change in control or consulting plan, program arrangement or agreement, in each case whether written or unwritten or otherwise, funded or unfunded, including each "employee benefit plan," within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA, which is or has been sponsored, maintained, 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 of the Company or any of its Subsidiaries (each, a "**Company Employee**"), or with respect to which the Company has or may have any material Liability (collectively, the "**Company Employee Plans**").

(b) **Documents.** The Company has made available to Parent correct and complete copies (or, if a plan is not written, a written description) of all Company Employee Plans and amendments thereto in each case that are in effect as of the date hereof, and, to the extent applicable,

(i) all related trust agreements, funding arrangements and insurance contracts now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise,

(ii) the most recent determination letter received regarding the tax-qualified status of each Company Employee Plan,

(iii) the most recent financial statements for each Company Employee Plan,

(iv) the Form 5500 Annual Returns/Reports for the most recent plan year for each Company Employee Plan, (as outlined by the US Department of Labor)

(v) the current summary plan description for each Company Employee Plan; and

(vi) all actuarial valuation reports related to any Company Employee Plans.

(c) **Employee Plan Compliance.** (i) Each Company Employee Plan has been established, administered, and maintained in all material respects in accordance with its terms and in material compliance with applicable Laws, including but not limited to ERISA and the Code; (ii) all the Company Employee Plans that are intended to be qualified under Section 401(a) ("Qualified Pension Plan") of the Code are so qualified and have received timely determination letters from the IRS and, as of the date hereof, no such determination letter has been revoked nor, to the Knowledge of the Company, has any such revocation been threatened, and to the Knowledge of the Company, as of the date hereof, no circumstance exists that is likely to result in the loss of such qualified status under Section 401(a) of the Code; (iii) the Company has timely made all material contributions and other material payments required by and due under the terms of each Company Employee Plan and applicable Law, and all benefits accrued under any unfunded Company Employee Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with GAAP; (iv) as of the date hereof, there are no material audits, inquiries or Legal Actions pending or, to the Knowledge of the Company, threatened by the IRS or the U.S. Department of Labor, or any similar Governmental Entity with respect to any Company Employee Plan; (v) as of the date hereof, there are no material Legal Actions pending, or, to the Knowledge of the Company, threatened with respect to any Company Employee Plan (in each case, other than routine claims for benefits); and (vi) to the Knowledge of the Company, the Company has not engaged in a transaction that could subject the Company or any Subsidiary to a tax or penalty imposed by either Section 4975 ("Exercise Tax")of the Code or Section 502(i) of ERISA ("Civil monitory penalty/Non-qualified plan").

(d) Neither the Company nor any Company ERISA Affiliate has incurred or reasonably expects to incur, either directly or indirectly, any material liability under Title I (Mandatory reporting and disclosure of plans to US Department of Labor) or Title IV (Employee Pension Benefit Plans) (Guarantee Benefits Payments) of ERISA, or related provisions of the Code or foreign Law or regulations relating to employee benefit plans.

(e) **Certain Company Employee Plans.** With respect to each Company Employee Plan:

i. No such plan is a "multi-employer plan" within the meaning of Section 3(37) of ERISA or a "multiple employer plan" within the meaning of Section 413(c) of the Code and neither the Company nor any of its ERISA affiliates has at any time contributed to or had any liability or obligation in respect of any such Multi-employer Plan or multiple employer plan;

ii. No Legal Action has been initiated by the Pension Benefit Guaranty Corporation to terminate any such plan or to appoint a trustee for any such plan;

iii. No "reportable event," as defined in Section 4043 of ERISA, has occurred with respect to any such plan. (A reportable event occurs when the Secretary of the Treasury issues a notice that a plan has ceased to be a plan described in Section 4021(a)(2) of ERISA, or when the Secretary of Labor determines that a plan is not in compliance with Title I of ERISA)

(f) **No Post-Employment Obligations.** No Company Employee Plan provides post-termination or retiree welfare benefits to any person for any reason, except as may be required by COBRA or other applicable Law, and neither the Company nor any Company ERISA Affiliate has any Liability to provide post-termination or retiree welfare benefits to any person or ever represented, promised or contracted to any Company Employee (either individually or to Company Employees as a group) or any other person that such Company Employee or other person would be provided with post-termination or retiree welfare benefits, except to the extent required by COBRA or other applicable Law.

(g) No Company Employee Plan has within the Three years (“3”) prior to the date hereof, been the subject of an examination or audit by a Governmental Entity or is the subject of an application or filing under, or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Entity.

(h) **Section 409A (Non-Qualified Deferred Compensation Plans) Compliance.** Each Company Employee Plan that is subject to Section 409A of the Code has been operated in compliance with such section and all applicable regulatory guidance (including, without limitation, proposed regulations, notices, rulings, and final regulations).

(i) **Health Care Compliance.** The Company complies in all material respects with the applicable requirements of COBRA or any similar state statute with respect to each Company Employee Plan that is a group health plan within the meaning of Section 5000(b)(1) of the Code or such state statute.

(j) **Effect of Transaction.** Neither the execution of this Agreement, the consummation of the Merger, nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events):

(i) entitle any current or former director, employee, contractor or consultant of the Company to severance pay or any other payment;

(ii) accelerate the time of payment, funding, or vesting, or increase the amount of compensation due to any such individual,

(iii) limit or restrict the right of the Company to merge, amend or terminate any Company Employee Plan,

(iv) increase the amount payable or result in any other material obligation pursuant to any Company Employee Plan, or

(v) result in "excess parachute payments" within the meaning of Section 280G(b) of the Code.

(k) **Employment Law Matters.** The Company: (i) is in compliance with all applicable Laws and agreements respecting hiring, employment, termination of employment, employment discrimination, harassment, retaliation and reasonable accommodation, leaves of absence, terms and conditions of employment, wages and hours of work, employee health and safety, leasing and supply of temporary and contingent staff, engagement of independent contractors, including proper classification of same, payroll taxes, and immigration with respect to Company Employees and contingent workers; and (ii) is in compliance with all applicable Laws relating to the relations between it and any labor organization, trade union, work council or other body representing Company Employees, except, in the case of clauses (i) and (ii) immediately above, where the failure to be in compliance with the foregoing would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(l) **Labor.** Neither Company nor any of its Subsidiaries is party to, or subject to, any collective bargaining agreement or other agreement with any labor organization, work council or trade union with respect to any of its or their operations. As of the date hereof, none of the Company Employees are represented by a labor organization, work council or trade union and, to the Knowledge of the Company, there is no organizing activity, Legal Action, election petition, union card signing or other union activity or union corporate campaigns of or by any labor organization, trade union or work council directed at the Company or any of its Subsidiaries, or any Company Employees.

As of the date hereof, there are no Legal Actions, government investigations, or labor grievances pending, or, to the Knowledge of the Company, threatened relating to any employment related matter involving any Company Employee or applicant, including, but not limited to, charges of unlawful discrimination, retaliation or harassment, failure to provide reasonable accommodation, denial of a leave of absence, failure to provide compensation or benefits, unfair labor practices, or other alleged violations of Law, except for any of the foregoing which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 3.14 Real Property and Personal Property Matters.

a) **Owned Real Estate.** Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the Company has good and marketable Fee Simple title to the Owned Real Estate free and clear of any Liens other than the Permitted Liens. **a)** The Company Disclosure Letter contains a true and complete list (including, without limitation, legal descriptions), as of the date hereof, of the Owned Real Estate. As of the date hereof, the Company has not (i) received written notice of any pending, and to the Knowledge of the Company there is no threatened, condemnation proceeding with respect to any of the Owned Real Properties.

b) **Leased Real Estate.** Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the Company and has a valid and subsisting leasehold estate in each parcel of real property demised under a Lease for the full term of the respective Lease free and clear of any Liens other than Permitted Liens. **a)** of the Company Disclosure Letter contains a complete and correct list, as of the date hereof, of the Leased Real Estate including with respect to each such Lease the date of such Lease and any material amendments thereto. Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, all leases are:

(i) all Leases are valid and in full force as originally contracted and effect except to the extent they have previously expired or terminated in accordance with their terms, and

(ii) neither the Company nor any Subsidiaries hereby nor, to the Knowledge of the Company, no third party, has violated any provision of, or committed or failed to perform any act which, with or without notice, lapse of time or both would constitute a default under the provisions of, any Lease.

(iii) All Company lease purposes as relating to the oil and gas industry are in compliance with Federal and State laws and regulations, there is no foreseeable impediment that would not allow for the current use to continue throughout the terms of such lease, and there is no permit or use revocation action pending regarding this land use.

Except as known by the Parent, the Company has not assigned, pledged, mortgaged, hypothecated or otherwise transferred any Lease nor has the Company or created Subsidiaries to entered into with any other Person any sublease, license or other agreement that is material to the Company, taken as a whole, and that relates to the use or occupancy of all or any portion of the Leased Real Estate. The Company has delivered or otherwise made available to Parent true and complete copies of all Leases (including all material modifications, amendments, supplements, waivers and side letters thereto) pursuant to which the Company or any of its Subsidiaries thereof leases, subleases or licenses, as tenant, any Leased Real Estate.

(c) **Personal Property.** Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the Company has good title to, or a valid and binding leasehold interest in, all the personal property owned by it, free and clear of all Liens, other than Permitted Liens known to Parent.

Section 3.15 Environmental Matters. Except for such matters as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(a) The Company is, and has been, in compliance with all Environmental Laws, which compliance includes the possession, maintenance of, compliance with, or application for, all Permits required under applicable Environmental Laws for the operation of the business of the Company and its Subsidiaries as currently conducted. As per oil and gas industry standards Company is in compliance with all regulatory mandates; most importantly keeping working interest in compliance with a prudent oil and gas operator as defined with standard industry understanding.

(b) The Company has not received written notice of and there is no Legal Action pending, or to the Knowledge of the Company, threatened against the Company or any Subsidiaries thereby, alleging any Liability or responsibility under or non-compliance with any Environmental Law or seeking to impose any financial responsibility for any investigation, cleanup, removal, containment or any other remediation or compliance under any Environmental Law. The Company is not subject to any Order or written agreement by or with any Governmental Entity or third party imposing any material Liability or obligation with respect to any of the foregoing.

Section 3.16 Material Contracts.

(a) **Material Contracts.** For purposes of this Agreement, "**Company Material Contract**" shall mean the following to which the Company is a party or any of the respective assets are bound (excluding any Leases):

(i) any "**Material Contract**" (as such term is defined in Item 601(b)(10) of Regulation S-K of the Securities Act), whether or not filed by the Company with the SEC; Form 8-K reference Item 601 of Regulation S-K to identify contracts that are deemed not to be made in ordinary course of business and that must be reported “unless immaterial in amount of significance,” even if they are otherwise of the type of ordinarily accompanies the company’s business. Item 601(b)(10)(ii)(A)-(D) of Regulation S-K specify Four (“4”) such situations:

(a) A contract with directors, officers, promoters, voting trustees, 5% or greater stockholders, or underwriters must be reported, unless it involves only the purchase or sale of current assets, having a determinable market price, where such assets are sold at such market price.

(b) If a reporting company's business is substantially dependent upon a contract, that contract will be considered material and must be reported. This would include any contract pursuant to which the reporting company sells the major part of its products or services or purchases the major part of its requirements of goods, services or raw materials. Similarly, reporting companies must report any franchise or license agreement involving a patent, formula, trade secret, process or trade name upon which the reporting company's business is dependent to the material extent.

(c) A contract for the acquisition or sale of any property, plant or equipment is a material contract if the consideration for the contract represents more than 15% of the reporting company's fixed assets on a consolidated basis as of the end of the most recent fiscal period.

(d) Any material lease relating to the property that is sufficiently important to be described in the company's Form 10-K or registration statement must be reported.

(ii) any **Employment or Consulting contract** (in each case with respect to which the Company has continuing obligations as of the date hereof) with any current or former (a) Executive Officer of the Company, (b) member of the Company Board, or (c) Company Employee providing for an annual base salary in excess of FIFTY THOUSAND DOLLARS ("$50,000")

(iii) any Contract providing for indemnification or any guaranty by the Company, in each case that is material to the Company, taken as a whole, other than (a) any guaranty by the Company of any of the obligations of (1) the Company or (2) any Subsidiary (Affiliate not a wholly-owned Subsidiary) of the Company that was entered into in the ordinary course of business pursuant to or in connection with a customer Contract, or (b) any Contract providing for indemnification of customers or other Persons pursuant to Contracts entered into in the ordinary course of business;

(iv) any Contract that purports to limit in any material respect the right of the Company (or, at any time after the consummation of the Merger, Parent or any of its Subsidiaries) (a) to engage in any line of business, (b) to compete with any Person or operate in any geographical location; or (c) mineral rights or land rights

(v) any Contract relating to the disposition or acquisition, directly or indirectly (by merger or otherwise), by the Company after the date of this Agreement of assets with a fair market value in excess of TWENTY FIVE THOUSAND DOLLARS ("$25,000".)

(vi) any Contract that contains any provision that requires the purchase of all of the Company's requirements for a given product, asset, commodity, or service from a given third party, which product or service is material to the Company, taken as a whole;

(vii) any Contract that obligates the Company to conduct business on an exclusive or preferential basis with any third party or upon consummation of the Merger will obligate Parent, the Surviving Corporation or any of their respective Subsidiaries to conduct business on an exclusive or preferential basis with any third party;

(viii) any partnership, joint venture or similar Contract that is material to the Company taken as a whole;

(ix) any mortgages, indentures, guarantees, loans or credit agreements, security agreements or other Contracts, in each case relating to indebtedness for borrowed money, whether as borrower or lender, in each case in excess of TEN THOUSAND DOLLARS ("$10,000") other than (a) accounts receivables and payables, and (b) loans to direct or indirect wholly-owned Subsidiaries of the Company;

(x) any other Contract under which the Company or any of its Subsidiaries is obligated to make payment or incur costs in excess of TEN THOUSAND DOLLARS ("$10,000") in any year and which is not otherwise described in clauses (i)–(x) above;

(xi) any Contract which is not otherwise described in clauses (i)-(xi) above that is material to the Company and listed on **Section 3.15(b)** of the Company Disclosure Letter; or

(xii) any Company IP Agreement.

(b) **Schedule of Material Contracts; Documents. Section 3.05(b)** of the Company Disclosure Letter sets forth a true and complete list as of the date hereof of all Company Material Contracts. The Company has made available to Parent correct and complete copies of all Company Material Contracts, including any amendments thereto.

(c) **No Breach.** (i) All the Company Material Contracts are valid and binding on the Company, enforceable against it in accordance with its terms, and is in full force and effect, (ii) to the Knowledge of the Company, no third party has violated any provision of, or failed to perform any obligation required under the provisions of, any Company Material Contract, and (iii) to the Knowledge of the Company, no third party is in breach, or has received written notice of breach, of any Company Material Contract.

Section 3.17 **Proxy Statement.** None of the information included or incorporated by reference in the letter to the stockholders, notice of meeting, proxy statement and forms of proxy (collectively, the "**Company Proxy Statement**"), to be filed with the SEC in connection with the Merger, will, at the date it is first mailed to the Company's stockholders or at the time of the Company Stockholders Meeting or at the time of any amendment or supplement thereof, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Notwithstanding the foregoing, no representation or warranty is made by the Company with respect to statements made or incorporated by reference therein based on information supplied by Parent or Merger Subsidiary expressly for inclusion or incorporation by reference in the Company Proxy Statement. The Company Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act.

Section 3.18 **Fairness Opinion.** The Company has had an opportunity to receive an expert opinion to the effect that, as of the date of this Agreement and based upon and subject to the qualifications and assumptions set forth therein, the Merger Consideration is fair, from a financial point of view, to the holders of shares of Company Common Stock.

ARTICLE IV
Representations and Warranties of Parent and Merger Subsidiary

Parent and Merger Subsidiary hereby jointly and severally represent and warrant to the Company as follows:

Section 4.01 **Organization.** Each of Parent and Merger Subsidiary is a corporation duly organized, validly existing and in good standing under the Laws of the state of Nevada.

Section 4.02 **Authority; Non-contravention; Governmental Consents.**

(a) **Authority.** Each of Parent and Merger Subsidiary has all requisite corporate power and authority to enter into and to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Parent and Merger Subsidiary and the consummation by Parent and Merger Subsidiary of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Parent and Merger Subsidiary and no other corporate proceedings on the part of Parent or Merger Subsidiary are necessary to authorize the execution and delivery of this Agreement or to consummate the Merger and the other transactions contemplated hereby, subject only to the filing of the Certificate of Merger pursuant to the Nevada Revised Statutes of Corporations ("NRSC"). This Agreement has been duly executed and delivered by Parent and Merger Subsidiary and, assuming due execution and delivery by the Company, constitutes the valid and binding obligation of Parent and Merger Subsidiary, enforceable against Parent and Merger Subsidiary in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium and other similar Laws affecting creditors' rights generally and by general principles of equity.

(b) **Non-contravention.** The execution, delivery and performance of this Agreement by Parent and Merger Subsidiary and the consummation by Parent and Merger Subsidiary of the transactions contemplated by this Agreement, do not and will **NOT**:

(i) contravene or conflict with, or result in any violation or breach of, the certificate of incorporation or by-laws of Parent or Merger Subsidiary;

(ii) subject to compliance with the requirements set forth in clauses (i)-(iv) of **Section 4.02(c)**, conflict with or violate any Law applicable to Parent or Merger Subsidiary or any of their respective properties or assets;

(iii) result in any breach of or constitute a default under, or give to others any rights of termination, amendment, acceleration or cancellation, or require any Consent under any Contract to which Parent or its Subsidiaries, including Merger Subsidiary, are a party or otherwise bound; or

(iv) result in the creation of any Lien (other than Permitted Liens) on any of the properties or assets of Parent or Merger Subsidiary, except, in the case of each of clauses (ii), (iii) and (iv), for any conflicts, violations, breaches, defaults, terminations, amendments, accelerations, cancellations or Liens, or where the failure to obtain any Consents, in each case, would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Parent's and Merger Sub's ability to consummate the transactions contemplated by this Agreement.

(c) **Governmental Consents.** No Consent of any Governmental Entity is required to be obtained or made by Parent or Merger Subsidiary in connection with the execution, delivery and performance by Parent and Merger Subsidiary of this Agreement or the consummation by Parent and Merger Subsidiary of the Merger and other transactions contemplated hereby, except for:

(i) the filing of the Articles of Merger with the Secretary of State of the State of Nevada and appropriate documents with the relevant authorities of other states in which the Company and Parent are qualified to do business;

(ii) the filing of the Company Proxy Statement with the SEC in accordance with the Exchange Act, and such reports under the Exchange Act as may be required in connection with this Agreement, the Merger and the other transactions contemplated by this Agreement;

(iii) such Consents as may be required under Nevada state securities or "blue sky" laws or the rules and regulations of OTCQB and

(iv) such other Consents which if not obtained or made would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Parent's and Merger Sub's ability to consummate the transactions contemplated by this Agreement.

Section 4.03 Proxy Statement. None of the information with respect to Parent or Merger Subsidiary that Parent or any of its Representatives furnishes in writing to the Company expressly for use in the Company Proxy Statement, will, at the date such Proxy Statement is first mailed to the Company's stockholders or at the time of the Company Stockholders Meeting or at the time of any amendment or supplement thereof, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Notwithstanding the foregoing, no representation or warranty is made by Parent or Merger Subsidiary with respect to statements made or incorporated by reference therein supplied by the Company or its Representatives expressly for inclusion or incorporation by reference in the Company Proxy Statement.

Section 4.04 Share Allocation Capability. Parent has or will have, and will cause Merger Subsidiary to have, prior to the Effective Time, sufficient share allocation to pay the aggregate Merger Consideration contemplated by this Agreement and to perform the other obligations of Parent and Merger Subsidiary contemplated by this Agreement.

Section 4.05 Legal Proceedings. As of August 26, 2014, there is no pending or, to the Knowledge of Parent, threatened, Legal Action against Parent or any of its Subsidiaries, including Merger Sub, nor is there any injunction, order, judgment, ruling or decree imposed upon Parent or any of its Subsidiaries, including Merger Sub, in each case, by or before any Governmental Entity, that would, individually or in the aggregate, reasonably be expected to have a material adverse effect on Parent's and Merger Sub's ability to consummate the transactions contemplated by this Agreement. A legal action was initiated on or about May 15, 2014 and disclosed in Company’s most recent 10Q quarter reporting as follows:

On or about May 15, 2014 a legal action was levied against Company in the Superior Court of Arizona in and for the County of Maricopa. The claim is styled as *Marc J. Olivieri vs. ClarkScott, LLC, James D. Clark and Jane Doe Clark, Core Resource Management, Inc. f/l/a Direct Pat Health Holdings, Inc.; ABC Corporation 1-V; and John Does 1-X. (No. CV2014-05854).* Defendant alleges breach of contract relating to an employment agreement. Company has answered the complaint on July 18, 2014 and has denied the allegations set forth. As per, Accounting Standards Codification 450, Management can not specifically derive potential loss amount. However in order to provide guidance as per evaluation of estimated litigation loss contingency (dependent on an adverse ruling), Management estimates a range of possible loss range to be between $30,000 and $70,000. Such range is made only in attempts to provide reporting guidance. Management plans to vigorously defend alleged claims which it considers to not have merit.

ARTICLE V
Covenants

Section 5.01 Conduct of Business of the Company. The Company shall, **during the period from the date of this Agreement until the Effective Time**, conduct its business in the ordinary course of business consistent with past practice, and, to the extent consistent therewith, the Company shall, use its reasonable best efforts to preserve substantially intact its business organization, to keep available the services of its current officers and employees, to preserve its business relationships with it. Without limiting the generality of the foregoing, between the date of this Agreement and the Effective Time, except as otherwise expressly contemplated by this Agreement or as set forth on **Section 5.01** of the Company Disclosure Letter or as required by applicable Law, the Company **SHALL NOT**, without the prior written consent of Parent (which consent shall not be unreasonably withheld or delayed):

(a) Shall not: amend or propose to amend its certificate of incorporation or by-laws (or other comparable organizational documents);

(b) Shall not: (i) split, combine or reclassify any Company Securities or Company Subsidiary Securities, (ii) repurchase, redeem or otherwise acquire, or offer to repurchase, redeem or otherwise acquire, any Company Securities or Company Subsidiary Securities, (iii) declare, set aside or pay any dividend or distribution (whether in cash, stock, property or otherwise) in respect of, or enter into any Contract with respect to the voting of, any shares of its capital stock (other than dividends from its direct or indirect wholly-owned Subsidiary);

(c) Shall not: issue, sell, pledge, dispose of or encumber any Company Securities or Company Subsidiary Securities, other than (i) the issuance of shares of Company Common Stock upon the exercise of any Company Equity Award outstanding as of the date of this Agreement in accordance with its terms, (ii) the issuance of shares of Company Common Stock in respect of other equity compensation awards outstanding under Company Stock Plans as of the date of this Agreement in accordance with their terms, (iii) the issuance of Company Equity Awards and the issuance of shares of Company Common Stock upon the exercise of such Company Equity Awards (other than directors or executive officers of the Company) in accordance with their terms in the ordinary course of business consistent with past practice, (iv) the issuance of shares of Company Common Stock upon exercise of any Warrant that is outstanding as of the date of this Agreement, or (v) the issuance of shares of Common Stock upon the conversion of Convertible Notes;

(d) Shall not: except as required by applicable Law or by any Company Employee Plan or Contract in effect as of the date of this Agreement,

(i) increase the compensation payable or that could become payable by the Company or its Subsidiary to directors, officers or employees, other than increases in compensation made in the ordinary course of business consistent with past practice.

(ii) enter into any new or amend in any material respect, any existing employment, severance, retention or change in control agreement with any of its past or present officers or employees.

(iii) promote any officers or employees, except in connection with the Company's annual or quarterly compensation review cycle or as the result of the termination or resignation of any officer or employee.

(iv) establish, adopt, enter into, amend, terminate, exercise any discretion under, or take any action to accelerate rights under any Company Employee Plans or any plan, agreement, program, policy, trust, fund or other arrangement that would be a Company Employee Plan if it were in existence as of the date of this Agreement, or make any contribution to any Company Employee Plan, other than contributions required by Law, the terms of such Company Employee Plans as in effect on the date hereof or that are made in the ordinary course of business consistent with past practice;

(e) Shall not: (i) transfer, license, sell, lease or otherwise dispose of any assets (whether by way of merger, consolidation, sale of stock or assets, or otherwise), including the capital stock or other equity interests in any Subsidiary of the Company, *provided that* the foregoing shall not prohibit the Company and from transferring, licensing, selling, leasing or disposing of obsolete equipment or assets being replaced, in each case in the ordinary course of business consistent with past practice, or (ii) adopt or effect a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization;

(f) Shall not: repurchase, prepay or incur any indebtedness for borrowed money or guarantee any such indebtedness of another Person, issue or sell any debt securities or options, warrants, calls or other rights to acquire any debt securities of the Company or any of its Subsidiaries, guarantee any debt securities of another Person, enter into any "keep well" or other Contract to maintain any financial statement condition of any other Person (other than any wholly-owned Subsidiary of it) or enter into any arrangement having the economic effect of any of the foregoing, other than in connection with the financing of ordinary course trade payables consistent with past practice;

(g) Shall not: enter into or amend or modify in any material respect, or consent to the termination of (other than at its stated expiry date), any Company Material Contract or any Lease with respect to material Real Estate or any other Contract or Lease that, if in effect as of the date hereof would constitute a Company Material Contract or Lease with respect to material Real Estate hereunder;

(h) Shall not: institute, settle or compromise any Legal Actions pending or threatened before any arbitrator, court or other Governmental Entity involving the payment of monetary damages by the Company or any of its Subsidiaries of any amount exceeding FIFTY THOUSAND DOLLARS ("$50,000") in the aggregate, other than (i) any Legal Action brought against Parent or Merger Subsidiary arising out of a breach or alleged breach of this Agreement by Parent or Merger Subsidiary, and (ii) the settlement of claims, liabilities or obligations reserved against on the most recent balance sheet of the Company included in the Company SEC Documents; *provided that* neither the Company nor any of its Subsidiaries shall settle or agree to settle any Legal Action which settlement involves a conduct remedy or injunctive or similar relief or has a restrictive impact on the Company's business; (maybe add law suit reference)

(i) Shall not: make any material change in any method of financial accounting principles or practices, in each case except for any such change required by a change in GAAP or applicable Law;

(j) Shall not: (i) settle or compromise any material Tax claim, audit or assessment, (ii) make or change any material Tax election, change any annual Tax accounting period, adopt or change any method of Tax accounting, (iii) amend any material Tax Returns or file claims for material Tax refunds, or (iv) enter into any material closing agreement, surrender in writing any right to claim a material Tax refund, offset or other reduction in Tax liability or consent to any extension or waiver of the limitation period applicable to any material Tax claim or assessment relating to the Company or its Subsidiaries;

(k) Shall not: enter into any material agreement, agreement in principle, letter of intent, memorandum of understanding or similar Contract with respect to any joint venture, strategic partnership or alliance;

(l) Shall not: except in connection with actions permitted by **Section 5.04** hereof, take any action to exempt any Person from, or make any acquisition of securities of the Company by any Person not subject to, any state takeover statute or similar statute or regulation that applies to Company with respect to a Takeover Proposal or otherwise, including the restrictions on "business combinations" set forth in Section 78.378 to 78.379 of the NRSC, except for Parent, Merger Subsidiary or any of their respective Subsidiaries or Affiliates, or the transactions contemplated by this Agreement;

(m) Shall not: abandon, encumber, convey title (in whole or in part), exclusively license or grant any right or other licenses to Company IP, other than in the ordinary course of business consistent with past practice; or

Section 5.02 Other Actions. From the date of this Agreement until the earlier to occur of the Effective Time or the termination of this Agreement in accordance with the terms set forth in **Article VII**, the Company and Parent shall not, and shall not permit any of their respective Subsidiaries to, take, or agree or commit to take, any action that would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the consummation of the Merger or the other transactions contemplated by this Agreement.

Section 5.03 Access to Information; Confidentiality.

(a) From the date of this Agreement until the earlier to occur of the Effective Time or the termination of this Agreement in accordance with the terms set forth in Article VII, the Company shall, afford to Parent and Parent's Representatives reasonable access, at reasonable times and in a manner as shall not unreasonably interfere with the business or operations of the Company or any Subsidiary thereof, to the officers, employees, accountants, agents, properties, offices and other facilities and to all books, records, contracts and other assets of the Company and its Subsidiaries, and the Company shall, furnish promptly to Parent such other information concerning the business and properties of the Company as Parent may reasonably request from time to time.

The Company shall NOT be required to provide access to or disclose information where such access or disclosure would jeopardize the protection of attorney-client privilege or contravene any Law (it being agreed that the parties shall use their reasonable best efforts to cause such information to be provided in a manner that would not result in such jeopardy or contravention). No investigation shall affect the Company's representations and warranties contained herein, or limit or otherwise affect the remedies available to Parent or Merger Subsidiary pursuant to this Agreement.

(b) Parent and the Company shall comply with, and shall cause their respective Representatives to comply with, all of their respective obligations under the Confidentiality Agreement, dated July 22, 2014 between Parent and the Company (the "**Confidentiality Agreement**"), which shall survive the termination of this Agreement in accordance with the terms set forth therein.

Section 5.04 No Solicitation.

(a) The Company **shall not**, authorize or permit directors, officers, employees, advisors and investment bankers (with respect to any Person, the foregoing Persons are referred to herein as such Person's "**Representatives**") to, directly or indirectly, solicit, initiate or knowingly take any action to facilitate or encourage the submission of any Takeover Proposal or the making of any proposal that could reasonably be expected to lead to any Takeover Proposal, or, subject to **Section 5.04(b),**

(i) Shall not: conduct or engage in any discussions or negotiations with, disclose any non-public information relating to the Company, afford access to the business, properties, assets, books or records of the Company, or knowingly assist, participate in, facilitate or encourage any effort by, any third party that is seeking to make, or has made, any Takeover Proposal,

(ii) Shall not: (ii) (A) amend or grant any waiver or release under any standstill or similar agreement with respect to any class of equity securities of the Company or (B) approve any transaction under, or any third party becoming an "interested stockholder" under, Section 78.378 to 78.379 of the NRSC, or

(iii) enter into any agreement in principle, letter of intent, term sheet, acquisition agreement, merger agreement, option agreement, joint venture agreement, partnership agreement or other Contract relating to any Takeover Proposal (each, a "**Company Acquisition Agreement**"). Subject to **Section 5.04(b),** neither the Company Board nor any committee thereof shall fail to make, withdraw, amend, modify or materially qualify, in a manner adverse to Parent or Merger Subsidiary, the Company Board Recommendation, or recommend a Takeover Proposal, fail to recommend against acceptance of any tender offer or exchange offer for the shares of Company Common Stock within ten (10) Business Days after the commencement of such offer, or make any public statement inconsistent with the Company Board Recommendation, or resolve or agree to take any of the foregoing actions (any of the foregoing, a "**Company Adverse Recommendation Change**").

The Company shall, and shall cause its Subsidiaries to cease immediately and cause to be terminated, and shall not authorize or knowingly permit any of its or their Representatives to continue, any and all existing activities, discussions or negotiations, if any, with any third party conducted prior to the date hereof with respect to any Takeover Proposal and shall use its reasonable best efforts to cause any such third party (or its agents or advisors) in possession of non-public information in respect of the Company or any of its Subsidiaries that was furnished by or on behalf of the Company and its Subsidiaries to return or destroy (and confirm destruction of) all such information.

(b) Notwithstanding **Section 5.04(a)**, prior to the receipt of the Company Requisite Vote, the Company Board, directly or indirectly through any Representative, **MAY**, subject to **Section 5.04(c)**

(i) May participate in negotiations or discussions with any third party that has made (and not withdrawn) a bona fide, unsolicited Takeover Proposal in writing that the Company Board believes in good faith, after consultation with outside legal counsel and the Company Financial Advisor, constitutes or would reasonably be expected to result in a Superior Proposal,

(ii) May follow receipt of and on account of a Superior Proposal, make a Company Adverse Recommendation Change, and/or

(iii) May take any action that any court of competent jurisdiction orders the Company to take (which order remains unstayed), but in each case referred to in the foregoing clauses (i) through (ii), only if the Company Board determines in good faith, after consultation with outside legal counsel, that the failure to take such action would reasonably be expected to cause the Company Board to be in breach of its fiduciary duties under applicable Law. Nothing contained herein shall prevent the Company Board from disclosing to the Company's stockholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act with regard to a Takeover Proposal, if the Company determines, after consultation with outside legal counsel, that failure to disclose such position would constitute a violation of applicable Law.

(c) The Company Board **SHALL NOT** take any of the actions referred to in clauses (i) through (ii) of **Section 5.04(b)** unless the Company shall have delivered to Parent a prior written notice advising Parent that it intends to take such action. The Company shall notify Parent promptly (but in no event later than twenty-four (24) hours) after it obtains Knowledge of the receipt by the Company (or any of its Representatives) of any Takeover Proposal, any inquiry that would reasonably be expected to lead to a Takeover Proposal, any request for non-public information relating to the Company or any of its Subsidiaries or for access to the business, properties, assets, books or records of the Company or any of its Subsidiaries by any third party.

(d) In such notice, the Company shall identify the third party making, and details of the material terms and conditions of, any such Takeover Proposal, indication or request. The Company shall keep Parent fully informed, on a current basis, of the status and material terms of any such Takeover Proposal, indication or request, including any material amendments or proposed amendments as to price and other material terms thereof. The Company shall provide Parent with at least forty-eight (48) hours prior notice of any meeting of the Company Board at which the Company Board is reasonably expected to consider any Takeover Proposal. The Company shall promptly provide Parent with a list of any non-public information concerning the Company's business, present or future performance, financial condition or results of operations, provided to any third party, and, to the extent such information has not been previously provided to Parent, copies of such information.

(e) Except as set forth in this **Section 5.04(d),** the Company Board shall not make any Company Adverse Recommendation Change or enter into (or permit any Subsidiary to enter into) a Company Acquisition Agreement. Notwithstanding the foregoing, at any time prior to the receipt of the Company Requisite Vote, the Company Board may make a Company Adverse Recommendation Change or enter into (or permit any Subsidiary to enter into) a Company Acquisition Agreement, if:

(i) the Company promptly notifies Parent, in writing, at least Five (“5”) Business Days (the "**Notice Period**") before making a Company Adverse Recommendation Change or entering into (or causing a Subsidiary to enter into) a Company Acquisition Agreement, of its intention to take such action with respect to a Superior Proposal, which notice shall state expressly that the Company has received a Takeover Proposal that the Company Board intends to declare a Superior Proposal and that the Company Board intends to make a Company Adverse Recommendation Change and/or the Company intends to enter into a Company Acquisition Agreement;

(ii) the Company attaches to such notice the most current version of the proposed agreement (which version shall be updated on a prompt basis) and the identity of the third party making such Superior Proposal;

(iii) the Company shall, during the Notice Period, negotiate with Parent in good faith to make such adjustments in the terms and conditions of this Agreement so that such Takeover Proposal ceases to constitute a Superior Proposal, if Parent, in its discretion, proposes to make such adjustments (it being agreed that in the event that, after commencement of the Notice Period, there is any material revision to the terms of a Superior Proposal, including, any revision in price, the Notice Period shall be extended, if applicable, to ensure that at least Five (“5”) Business Days remains in the Notice Period subsequent to the time the Company notifies Parent of any such material revision (it being understood that there may be multiple extensions)); and

(iv) the Company Board determines in good faith, after consulting with outside legal counsel and its Company Financial Advisor, that such Takeover Proposal continues to constitute a Superior Proposal after taking into account any adjustments made by Parent during the Notice Period in the terms and conditions of this Agreement.

Section 5.05 Stockholders Meeting; Preparation of Proxy Materials.

(a) Subject to the terms set forth in this Agreement, the Company shall take all action necessary to duly call, give notice of, convene and hold the Company Stockholders Meeting as soon as reasonably practicable after the date of this Agreement, and, in connection therewith, the Company shall mail the Company Proxy Statement to the holders of Company Common Stock in advance of such meeting.

(b) The Company Proxy Statement shall include the Company Board Recommendation. Subject to **Section 5.04** hereof, the Company shall use reasonable best efforts to (i) solicit from the holders of Company Common Stock proxies in favor of the adoption of this Agreement and approval of the Merger and (ii) take all other actions necessary or advisable to secure the vote or consent of the holders of Company Common Stock required by applicable Law to obtain such approval. The Company shall keep Parent and Merger Subsidiary updated with respect to proxy solicitation results as requested Parent or Merger Subsidiary. Once the Company Stockholders Meeting has been called and noticed, the Company shall not postpone or adjourn the Company Stockholders Meeting without the consent of Parent (other than (i) in order to obtain a quorum of its stockholders or (ii) as reasonably determined by the Company to comply with applicable Law).

At the Company Stockholders Meeting, Parent and its Affiliates shall vote all Shares owned by them in favor of adoption of this Agreement and approval of the Merger. Notwithstanding anything contained herein to the contrary, the Company shall not be required to hold the Company Stockholders Meeting if this Agreement is terminated before the meeting is held.

(c) In connection with the Company Stockholders Meeting, as soon as reasonably practicable following the date of this Agreement the Company shall prepare and file the Company Proxy Statement with the SEC. Parent, Merger Subsidiary and the Company will cooperate and consult with each other in the preparation of the Company Proxy Statement. Without limiting the generality of the foregoing, each of Parent and Merger Subsidiary will furnish the Company the information relating to it required by the Exchange Act and the rules and regulations promulgated thereunder to be set forth in the Company Proxy Statement. The Company shall not file the Company Proxy Statement, or any amendment or supplement thereto, without providing Parent a reasonable opportunity to review and comment thereon (which comments shall be reasonably considered by the Company).

(d) The Company shall use its reasonable best efforts to resolve, and each party agrees to consult and cooperate with the other party in resolving, all SEC comments with respect to the Company Proxy Statement as promptly as practicable after receipt thereof and to cause the Company Proxy Statement in definitive form to be cleared by the SEC and mailed to the Company's stockholders as promptly as reasonably practicable following filing with the SEC. The Company agrees to consult with Parent prior to responding to SEC comments with respect to the preliminary Company Proxy Statement.

(e) Each of Parent, Merger Subsidiary and the Company agree to correct any information provided by it for use in the Company Proxy Statement which shall have become false or misleading and the Company shall promptly prepare and mail to its stockholders an amendment or supplement setting forth such correction. The Company shall as soon as reasonably practicable

(i) notify Parent of the receipt of any comments from the SEC with respect to the Company Proxy Statement and any request by the SEC for any amendment to the Company Proxy Statement or for additional information and

(ii) provide Parent with copies of all written correspondence between the Company and its Representatives, on the one hand, and the SEC, on the other hand, with respect to the Company Proxy Statement.

Section 5.06 Notices of Certain Events. The Company shall notify Parent and Merger Subsidiary, and Parent and Merger Subsidiary shall notify the Company, promptly of:

(i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement,

(ii) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement,

(iii) any Legal Actions commenced, or to such party's knowledge, threatened, against the Company or any of its Subsidiaries or Parent or its Subsidiaries, as applicable, that are related to the transactions contemplated by this Agreement, and

(iv) any event, change or effect between the date of this Agreement and the Effective Time which causes or is reasonably likely to cause the failure of the conditions set forth in **Section 6.02(a), Section 6.02(b)** or **Section 6.02(c)** of this Agreement or **Section 6.03(a)** or **Section 6.03(b)** of this Agreement (in the case of Parent and Merger Subsidiary), to be satisfied. In no event shall (A) the delivery of any notice by a party pursuant to this **Section 5.06** limit or otherwise affect the respective rights, obligations, representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement, or (B) disclosure by the Company or Parent be deemed to amend or supplement the Company Disclosure Letter or constitute an exception to any representation or warranty. This **Section 5.06** shall not constitute a covenant or agreement for purposes of **Section 6.02(b) or Section 6.03(b).**

Section 5.07 Employees; Benefit Plans.

(a) During the period commencing at the Effective Time and ending on the date which is FIVE (“5”) months from the Effective Time (or if earlier, the date of the employee's termination of employment with Parent and its Subsidiaries), Parent shall cause the Surviving Corporation and each of its Subsidiaries, as applicable, to provide the employees of the Company and its Subsidiaries who remain employed immediately after the Effective Time (collectively, the "**Company Continuing Employees**") with base salary, target bonus opportunities (excluding equity-based compensation), and employee benefits that are, in the aggregate, no less favorable than the base salary, target bonus opportunities (excluding equity-based compensation), and employee benefits provided by the Company and its Subsidiaries on the date of this Agreement.

(b) With respect to any "employee benefit plan" as defined in Section 3(3) of ERISA maintained by Parent or any of its Subsidiaries, excluding both any retiree healthcare plans or programs maintained by Parent or any of its Subsidiaries and any equity compensation arrangements maintained by Parent or any of its Subsidiaries (collectively, "**Parent Benefit Plans**") in which any Company Continuing Employees will participate effective as of the Effective Time, Parent shall, or shall cause the Surviving Corporation to, recognize all service of the Company Continuing Employees with the Company or any of its Subsidiaries, as the case may be as if such service were with Parent, for vesting and eligibility purposes (but not for (i) purposes of early retirement subsidies under any Parent Benefit Plan that is a defined benefit pension plan or (ii) benefit accrual purposes, except for vacation, if applicable) in any Parent Benefit Plan in which such Company Continuing Employees may be eligible to participate after the Effective Time; (iii) Continuing Company shall honor all consulting or advisory agreement previously entered into, or employment pending equity awards stock options or warrants to purchase equity based upon performance. *provided, that* such service shall not be recognized to the extent that (A) such recognition would result in a duplication of benefits or (B) such service was not recognized under the corresponding Company Employee Plan.

(c) This **Section 5.07** shall be binding upon and inure solely to the benefit of each of the parties to this Agreement, and nothing in this **Section 5.07**, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this **Section 5.07**. Nothing contained herein, express or implied (i) shall be construed to establish, amend or modify any benefit plan, program, agreement or arrangement or (ii) shall alter or limit the ability of the Surviving Corporation, Parent or any of their respective Affiliates to amend, modify or terminate any benefit plan, program, agreement or arrangement at any time assumed, established, sponsored or maintained by any of them. The parties hereto acknowledge and agree that the terms set forth in this **Section 5.07** shall not create any right in any Company Employee or any other Person to any continued employment with the Surviving Corporation, Parent or any of their respective Subsidiaries or compensation or benefits of any nature or kind whatsoever.

(d) With respect to matters described in this **Section 5.07**, the Company will not send any written notices or other written communication materials to Company Employees without the prior written consent of Parent.

Section 5.08 Directors' and Officers' Indemnification and Insurance.

(a) Parent and Merger Subsidiary agree that all rights to indemnification, advancement of expenses and exculpation by the Company now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Effective Time an officer or director of the Company (an "**Indemnified Party**") as provided in the Company Charter Documents, in each case as in effect on the date of this Agreement, or pursuant to any other Contracts in effect on the date hereof and disclosed in **Section 5.08**, **shall be assumed by the Surviving Corporation in the Merger**, without further action, at the Effective Time and shall survive the Merger and shall remain in full force and effect in accordance with their terms, and, in the event that any proceeding is pending or asserted or any claim made during such period, until the final disposition of such proceeding or claim.

(b) For three years after the Effective Time, to the fullest extent permitted under applicable Law, Parent and the Surviving Corporation (the "**Indemnifying Parties**") shall indemnify, defend and hold harmless each Indemnified Party including parents, consultants, and employees against all losses, claims, damages, liabilities, fees, expenses, judgments and fines arising in whole or in part out of actions or omissions in their capacity as such occurring at or prior to the Effective Time (including in connection with the transactions contemplated by this Agreement), and shall reimburse each Indemnified Party for any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such losses, claims, damages, liabilities, fees, expenses, judgments and fines as such expenses are incurred, subject to the Surviving Corporation's receipt of an undertaking by such Indemnified Party to repay such legal and other fees and expenses paid in advance if it is ultimately determined in a final and non-appealable judgment of a court of competent jurisdiction that such Indemnified Party is not entitled to be indemnified under applicable Law; *provided, however,* that the Surviving Corporation will not be liable for any settlement effected without the Surviving Corporation's prior written consent.

(c) The Surviving Corporation shall, and Parent shall cause the Surviving Corporation to, (i) maintain in effect for a period of three (“3”) years after the Effective Time, if available, the current policies of directors' and officers' liability insurance maintained by the Company immediately prior to the Effective Time (*provided that* the Surviving Corporation may substitute therefor policies, of at least the same coverage and amounts and containing terms and conditions that are not less advantageous to the directors and officers of the Company and its Subsidiaries when compared to the insurance maintained by the Company as of the date hereof), or (ii) obtain as of the Effective Time "tail" insurance policies with a claims period of three (“3”) years from the Effective Time with at least the same coverage and amounts and containing terms and conditions that are not less advantageous to the directors and officers of the Company and its Subsidiaries, in each case with respect to claims arising out of or relating to events which occurred before or at the Effective Time (including in connection with the transactions contemplated by this Agreement); *provided, however,* that in no event will the Surviving Corporation be required to expend an annual premium for such coverage in excess of Ten percent (“10%”) of the last annual premium paid by the Company for such insurance prior to the date of this Agreement, which amount is set forth on **Section 5.08(c)** of the Company Disclosure Letter (the "**Maximum Premium**"). If such insurance coverage cannot be obtained at an annual premium equal to or less than the Maximum Premium, the Surviving Corporation will obtain, and Parent will cause the Surviving Corporation to obtain, that amount of directors' and officers' insurance (or "tail" coverage) obtainable for an annual premium equal to the Maximum Premium.

(d) The obligations of Parent and the Surviving Corporation under this **Section 5.08** shall survive the consummation of the Merger and shall not be terminated or modified in such a manner as to adversely affect any Indemnified Party to whom this **Section 5.08** applies without the consent of such affected Indemnified Party.

(e) In the event Parent, the Surviving Corporation or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Parent or the Surviving Corporation, as the case may be, shall assume all of the obligations set forth in this **Section 5.08**.

The agreements and covenants contained herein shall not be deemed to be exclusive of any other rights to which any Indemnified Party is entitled, whether pursuant to Law, Contract or otherwise. Nothing in this Agreement is intended to, shall be construed to or shall release, waive or impair any rights to directors' and officers' insurance claims under any policy that is or has been in existence with respect to the Company or its officers, directors and employees, it being understood and agreed that the indemnification provided for in this **Section 5.08** is not prior to, or in substitution for, any such claims under any such policies.

Section 5.09 Reasonable Best Efforts.

(a) Upon the terms and subject to the conditions set forth in this Agreement (including those contained in this **Section 5.09**), each of the parties hereto shall, and shall cause its Subsidiaries to, use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, and to satisfy all conditions to, in the most expeditious manner practicable, the transactions contemplated by this Agreement, including

(i) the obtaining of all necessary permits, waivers, consents, approvals and actions or non-actions from Governmental Entities and the making of all necessary registrations and filings (including filings with Governmental Entities) and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entities

(ii) the obtaining of all necessary consents or waivers from third parties

(iii) the execution and delivery of any additional instruments necessary to consummate the Merger and to fully carry out the purposes of this Agreement. Parent will take all action necessary to cause Merger Subsidiary to perform its obligations under this Agreement and to consummate the Merger on the terms and conditions set forth in this Agreement. The Company and Parent shall, subject to applicable Law, promptly (A) cooperate and coordinate with the other in the taking of the actions contemplated by clauses (i), (ii) and (iii) immediately above and (B) supply the other with any information that may be reasonably required in order to effectuate the taking of such actions. Each party hereto shall promptly inform the other party or parties hereto, as the case may be, of any communication from any Governmental Entity regarding any of the transactions contemplated by this Agreement.

If the Company or Parent receives a request for additional information or documentary material from any Governmental Entity with respect to the transactions contemplated by this Agreement, then it shall use reasonable best efforts to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request, and, if permitted by applicable Law and by any applicable Governmental Entity, provide the other party's counsel with advance notice and the opportunity to attend and participate in any meeting with any Governmental Entity in respect of any filing made thereto in connection with the transactions contemplated by this Agreement.

Neither Parent nor the Company shall commit to or agree (or permit their respective Subsidiaries to commit to or agree) with any Governmental Entity to stay, toll or extend any applicable waiting period under the HSR Act or other applicable Antitrust Laws, without the prior written consent of the other (such consent not to be unreasonably withheld or delayed).

(b) Without limiting the generality of the undertakings pursuant to Section **5.09(a)** hereof, the parties hereto shall (i) provide or cause to be provided as promptly as reasonably practicable to Governmental Entities with jurisdiction over the Antitrust Laws (each such Governmental Entity, a "**Governmental Antitrust Authority**") information and documents requested by any Governmental Antitrust Authority as necessary, proper or advisable to permit consummation of the transactions contemplated by this Agreement, including preparing and filing any notification and report form and related material required under the HSR Act and any additional consents and filings under any other Antitrust Laws as promptly as practicable following the date of this Agreement (*provided that* in the case of the filing under the HSR Act, such filing shall be made within 10 Business Days of the date of this Agreement) and thereafter to respond as promptly as practicable to any request for additional information or documentary material that may be made under the HSR Act or any other applicable Antitrust Laws and (ii) subject to the terms set forth in **Section 5.09(c)** hereof, use their reasonable best efforts to take such actions as are necessary or advisable to obtain prompt approval of the consummation of the transactions contemplated by this Agreement by any Governmental Entity or expiration of applicable waiting periods.

(c) In the event that any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by a Governmental Entity or private party challenging the Merger or any other transaction contemplated by this Agreement, or any other agreement contemplated hereby, the Company shall cooperate in all respects with Parent and Merger Subsidiary and shall use its reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any Order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement.

Notwithstanding anything in this Agreement to the contrary, none of Parent, Merger Subsidiary or any of their Affiliates shall be required to defend, contest or resist any action or proceeding, whether judicial or administrative, or to take any action to have vacated, lifted, reversed or overturned any Order, in connection with the transactions contemplated by this Agreement.

(d) Notwithstanding anything to the contrary set forth in this Agreement, none of Parent, Merger Subsidiary or any of their Subsidiaries shall be required to, and the Company may not, without the prior written consent of Parent, become subject to, consent to, or offer or agree to, or otherwise take any action with respect to, any requirement, condition, limitation, understanding, agreement or order to

(i) sell, license, assign, transfer, divest, hold separate or otherwise dispose of any assets, business or portion of business of the Company, the Surviving Corporation, Parent, Merger Subsidiary or any of their respective Subsidiaries,

(ii) conduct, restrict, operate, invest or otherwise change the assets, business or portion of business of the Company, the Surviving Corporation, Parent, Merger Subsidiary or any of their respective Subsidiaries in any manner, or

(iii) impose any restriction, requirement or limitation on the operation of the business or portion of the business of the Company, the Surviving Corporation, Parent, Merger Subsidiary or any of their respective Subsidiaries; *provided that,* if requested by Parent, the Company will become subject to, consent to, or offer or agree to, or otherwise take any action with respect to, any such requirement, condition, limitation, understanding, agreement or order so long as such requirement, condition, limitation, understanding, agreement or order is only binding on the Company in the event the Closing occurs.

Section 5.10 Public Announcements. The initial press release with respect to this Agreement and the transactions contemplated hereby shall be a release mutually agreed to by the Company and Parent. Thereafter, each of the Company, Parent and Merger Subsidiary agrees that no public release or announcement concerning the transactions contemplated hereby shall be issued by any party without the prior written consent of the Company and Parent (which consent shall not be unreasonably withheld or delayed), except as such release or announcement may be permitted by **Section 5.04** or required by applicable Law or the rules or regulations of any applicable United States Securities Exchange Commission, in which case the party required to make the release or announcement shall consult with the other party about, and allow the other party reasonable time to comment on such release or announcement in advance of such issuance.

Section 5.11 Takeover Statutes. If any "control share acquisition", "fair price", "moratorium" or other anti-takeover Law becomes or is deemed to be applicable to the Company, Parent, Merger Subsidiary, the Merger or any other transaction contemplated by this Agreement, then each of the Company, Parent, Merger Subsidiary, and their respective board of directors shall grant such approvals and take such actions as are necessary so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to render such anti-takeover Law inapplicable to the foregoing.

Section 5.12 Section 16 Matters for Beneficial Owners of more than 10%. Prior to the Effective Time, the Company shall take all such steps as may be required to cause to be exempt under Rule 16b-3 promulgated under the Exchange Act any dispositions of shares of Company Common Stock (including derivative securities with respect to such shares) that are treated as dispositions under such rule and result from the transactions contemplated by this Agreement by each director or officer of the Company who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company. Securities must have been held for at least six months, or specific approval must be obtained.

Section 5.13 Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver, in the name and on behalf of the Company or Merger Subsidiary, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or Merger Subsidiary, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

ARTICLE VI
Conditions

Section 6.01 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of each party to this Agreement to effect the Merger is subject to the satisfaction or waiver on or prior to the Closing Date of each of the following conditions:

(a) **Company Stockholder Approval.** This Agreement will have been duly adopted by the Requisite Company Vote.

(b) **Regulatory Approvals.** The waiting period applicable to the consummation of the Merger under the HSR Act (or any extension thereof) shall have expired or been terminated.

(c) **No Injunctions, Restraints or Illegality.** No Governmental Entity having jurisdiction over any party hereto shall have enacted, issued, promulgated, enforced or entered any Laws or Orders, whether temporary, preliminary or permanent, that make illegal, enjoin or otherwise prohibit consummation of the Merger or the other transactions contemplated by this Agreement.

(d) **Governmental Consents.** All consents, approvals and other authorizations of any Governmental Entity set forth in **Section 6.01** of the Company Disclosure Letter and required to consummate the Merger and the other transactions contemplated by this Agreement (other than the filing of the Articles of Merger with the Secretary of State of the State of Nevada) shall have been obtained, free of any condition that would reasonably be expected to have a Company Material Adverse Effect or a material adverse effect on Parent's and Merger Subsidiary's ability to consummate the transactions contemplated by this Agreement.

Section 6.02 Conditions to Obligations of Parent and Merger Subsidiary. The obligations of Parent and Merger Subsidiary to effect the Merger are also subject to the satisfaction or waiver by Parent and Merger Subsidiary on or prior to the Closing Date of the following conditions:

(a) **Representations and Warranties.** (i) The representations and warranties of the Company (other than in **Section 3.01(a)**("Organization; Standing and Power"), **Section 3.02(a)**(*second sentence* -As of the close of business on August 24, 2014 As of the date of this Agreement, 7,322,894 Shares were issued and outstanding, (y) ("12,677,106") Shares were issued and held by the Company in its treasury and (z) no shares of Company Preferred Stock were issued and outstanding or held by the Company in its treasury, and since July 1,2014 and through the date hereof, no additional Shares or shares of Company Preferred Stock have been issued other than the issuance of Shares upon the exercise or settlement of Company Equity Awards.), **Section 3.01 (b)(ii)** (Except for the Company Stock Plans and as set forth in **Section 3.02 (b)(ii)** of the Company Disclosure Letter, there are no Contracts to which the Company is a party obligating the Company to accelerate the vesting of any Company Equity Award as a result of the transactions contemplated by this Agreement (whether alone or upon the occurrence of any additional or subsequent events). **Section 3.02(c)**(*last sentence* -(As of the date hereof, an aggregate of (A) (6,041,247) shares of Company Common Stock are subject to, and (6,041,247) shares of Company Common Stock are reserved for issuance upon exercise of, the Warrants. **Section 3.03(a)** Authority, **Section 3.04(b)** Financial Statements, **Section 3.05(a)** Absence of Certain Changes or Events and **Section 3.10** Regulatory Actions of Inquiries) set forth in **Article III** of this Agreement shall be true and correct in all respects (without giving effect to any limitation indicated by the words "Company Material Adverse Effect," "in all material respects," "in any material respect," "material" or "materially") when made and as of immediately prior to the Effective Time, as if made at and as of such time (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date).

(b) **Performance of Covenants.** The Company shall have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by or complied with by it hereunder.

(c) **Company Material Adverse Effect.** Since the date of this Agreement, there shall not have been any Company Material Adverse Effect or any event, change or effect that would, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(d) **Officers Certificate.** Parent will have received a certificate, signed by the chief executive officer or chief financial officer of the Company, certifying as to the matters set forth in **Section 6.02(a), Section 6.02(b)** and **Section 6.02(c)** hereof.

Section 6.03 Conditions to Obligation of the Company. The obligation of the Company to effect the Merger is also subject to the satisfaction or waiver by the Company on or prior to the Closing Date of the following conditions:

(a) **Representations and warranties.** The representations and warranties of Parent and Merger Subsidiary set forth in **Article IV** of this Agreement shall be true and correct in all respects (without giving effect to any limitation indicated by the words "material adverse effect," "in all material respects," "in any material respect," "material" or "materially") when made and as of immediately prior to the Effective Time, as if made at and as of such time (except those representations and warranties that address matters only as of a particular date, which shall be true and correct in all respects as of that date), except where the failure of such representations and warranties to be so true and correct would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Parent's and Merger Sub's ability to consummate the transactions contemplated by this Agreement.

(b) **Performance of covenants.** Parent and Merger Subsidiary shall have performed in all material respects all obligations, and complied in all material respects with the agreements and covenants, required to be performed by or complied with by them hereunder.

(c) **Officer's certificate.** The Company will have received a certificate, signed by an officer of Parent, certifying as to the matters set forth in **Section 6.03(a)** and **Section 6.03(b).**

ARTICLE VII
Termination, Amendment and Waiver

Section 7.01 Termination By Mutual Consent. This Agreement may be terminated at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company) by mutual written consent of Parent, Merger Subsidiary and the Company.

Section 7.02 Termination By Either Parent or the Company. This Agreement may be terminated by either Parent or the Company at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company):

(a) if this Merger Agreement has not been consummated on or before **August 31, 2014** (the "**End Date**"); *provided, however,* that the right to terminate this Agreement pursuant to this **Section 7.02(a)** shall not be available to any party whose breach of any representation, warranty, covenant or agreement set forth in this Agreement has been the cause of, or resulted in, the failure of the Merger to be consummated on or before the End Date. However, such break up provisions as set out within the binding letter of intent still remain valid as per its terms (The binding letter of intent dated July 22, 2014 and has been fully executed by both parties;

(b) if any Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order making illegal, permanently enjoining or otherwise permanently prohibiting the consummation of the Merger or the other transactions contemplated by this Agreement, and such Law or Order shall have become final and non-appealable; *provided, however,* that the right to terminate this Agreement pursuant to this **Section 7.02(b)** shall not be available to any party whose breach of any representation, warranty, covenant or agreement set forth in this Agreement has been the cause of, or resulted in, the issuance, promulgation, enforcement or entry of any such Law or Order; In the event Company has been the cause of such action it will be liable for break up provisions here in and within the binding letter of intent dated July 22, 2014 and has been duly executed by both parties; or

(c) if this Agreement has been submitted to the stockholders of the Company for adoption at a duly convened Company Stockholders Meeting and the Requisite Company Vote shall not have been obtained at such meeting.

Section 7.03 Termination By Parent. This Agreement may be terminated by Parent at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company):

(a) **IF** (i) a Company Adverse Recommendation Change shall have occurred,

(i) the Company shall have entered into, or publicly announced its intention to enter into, a Company Acquisition Agreement (other than an Acceptable Confidentiality Agreement)

(ii) the Company shall have breached or failed to perform in any material respect any of the covenants and agreements set forth in **Section 5.04**

(iii) the Company Board fails to reaffirm (publicly, if so requested by Parent) the Company Board Recommendation within ten ("10") Business Days after the date any Takeover Proposal (or material modification thereto) is first publicly disclosed by the Company or the Person making such Takeover Proposal

(iv) the Company or the Company Board (or any committee thereof) shall publicly announce its intentions to do any of actions specified in this ; or

(b) if there shall have been a breach of any representation, warranty, covenant or agreement on the part of the Company set forth in this Agreement such that the conditions to the Closing of the Merger set forth in **Section 6.02(a)** or **Section 6.02(b),** as applicable, would not be satisfied and, in either such case, such breach is incapable of being cured by the End Date; *provided that* Parent shall have given the Company at least 15 days written notice prior to such termination stating Parent's intention to terminate this Agreement pursuant to this **Section 7.04(b).**

Section 7.04 Termination By the Company. This Agreement may be terminated by the Company at any time prior to the Effective Time (notwithstanding, in the case of **Section 7.04(b)** immediately below, any approval of this Agreement by the stockholders of the Company):

(a) if prior to the receipt of the Requisite Company Vote at the Company Stockholders Meeting, the Company Board authorizes the Company, in full compliance with the terms of this Agreement, including **Section 5.04(b)** thereof, to enter into a Company Acquisition Agreement (other than an Acceptable Confidentiality Agreement) in respect of a Superior Proposal; *provided that* the Company shall have paid any amounts due pursuant to **Section 7.06(b)** hereof in accordance with the terms, and at the times, specified therein; and provided further that in the event of such termination, the Company substantially concurrently enters into such Company Acquisition Agreement; or

(b) if there shall have been a breach of any representation, warranty, covenant or agreement on the part of Parent or Merger Subsidiary set forth in this Agreement such that the conditions to the Closing of the Merger set forth in **Section 6.02(a)** or **Section 6.02(b),** as applicable, would not be satisfied and, in either such case, such breach is incapable of being cured by the End Date; *provided that* the Company shall have given Parent at least 15 days written notice prior to such termination stating the Company's intention to terminate this Agreement pursuant to this **Section 7.04(b**).

Section 7.05 Notice of Termination; Effect of Termination. The party desiring to terminate this Agreement pursuant to this **Article VII** (other than pursuant to **Section 7.01**) shall deliver written notice of such termination to each other party hereto specifying with particularity the reason for such termination, and any such termination in accordance with **Section 7.05** shall be effective immediately upon delivery of such written notice to the other party. If this Agreement is terminated pursuant to this **Article VII**, it will become void and of no further force and effect, with no liability on the part of any party to this Agreement (or any stockholder, director, officer, employee, agent or Representative of such party) to any other party hereto, except (i) with respect to **Section 5.03(b)**, this **Section 7.05, Section 7.06** and **Section 7.07** (and any related definitions contained in any such Sections or Article), which shall remain in full force and effect and (ii) with respect to any liabilities or damages incurred or suffered by a party, to the extent such liabilities or damages were the result of fraud or the breach by another party of any of its representations, warranties, covenants or other agreements set forth in this Agreement. (iii) and expenses as defined in binding letter of intent dated July 22, 2014.

Section 7.06 Fees and Expenses Following Termination.

(a) If this Agreement is terminated by Parent pursuant to **Section 7.03(a)** and the binding letter of intent, then the Company shall pay to Parent (by wire transfer of immediately available funds), within Five (“5”) Business Days after such termination, a fee in an amount equal to the Termination Fee, plus, Parent's Expenses actually incurred by Parent on or prior to the termination of this Agreement.

(b) If this Agreement is terminated by the Company pursuant to **Section 7.04(a),** then the Company shall pay to Parent (by wire transfer of immediately available funds), at or prior to such termination, the Termination Fee, plus, Parent's Expenses actually incurred by Parent on or prior to the termination of this Agreement.

(c) If this Agreement is terminated (i) by Parent pursuant to **Section 7.03(b),** *provided that* the Requisite Company Vote shall not have been obtained at the Company Stockholders Meeting (including any adjournment or postponement thereof) or (ii) by the Company or Parent pursuant to (A) **Section 7.02(a)** hereof and *provided that* the Requisite Company Vote shall not have been obtained at the Company Stockholders Meeting (including any adjournment or postponement thereof) or (B) **Section 7.02(c)** hereof and, in the case of clauses (i) and (ii) immediately above, (C) prior to such termination (in the case of termination pursuant to **Section 7.02(a)** or **Section 7.03(b))** or the Company Stockholders Meeting (in the case of termination pursuant to **Section 7.02 (c)**), a Takeover Proposal shall (1) in the case of a termination pursuant to **Section 7.02 (a)** or **Section 7.02(c)**, have been publicly disclosed and not withdrawn or (2) in the case of a termination pursuant to **Section 7.03(b),** have been publicly disclosed or otherwise made or communicated to the Company or the Company Board, and not withdrawn, and (B) within SIX (“6”) months following the date of such termination of this Agreement the Company shall have entered into a definitive agreement with respect to any Takeover Proposal, or any Takeover Proposal shall have been consummated (in each case whether or not such Takeover Proposal is the same as the original Takeover Proposal made, communicated or publicly disclosed), then in any such event the Company shall pay to Parent (by wire transfer of immediately available funds), immediately prior to and as a condition to consummating such transaction, the Termination Fee, plus, Parent's Expenses actually incurred by Parent on or prior to the termination of this Agreement (it being understood for all purposes of this **Section 7.06(c)**, all references in the definition of Takeover Proposal to 15% shall be deemed to be references to "more than 50%" instead). If a Person (other than Parent) makes a Takeover Proposal that has been publicly disclosed and subsequently withdrawn prior to such termination or the Company Stockholder Meeting, as applicable, and, within 6 (“six”) months following the date of the termination of this Agreement, such Person or any of its controlled Affiliates makes a Takeover Proposal that is publicly disclosed, such initial Takeover Proposal shall be deemed to have been "not withdrawn" for purposes of clauses (1) and (2) of this paragraph (c).

(d) The Company acknowledges and hereby agrees that the provisions of this **Section 7.06** are an integral part of the transactions contemplated by this Agreement (including the Merger), and that, without such provisions, Parent and Merger Subsidiary would not have entered into this Agreement. If the Company shall fail to pay in a timely manner the amounts due pursuant to this **Section 7.06**, and, in order to obtain such payment, Parent makes a claim against the Company that results in a judgment against the Company, the Company shall pay to Parent the reasonable costs and expenses of Parent (including its reasonable attorneys' fees and expenses) incurred or accrued in connection with such suit, together with interest on the amounts set forth in this **Section 7.06** at the prime lending rate prevailing during such period as published in *The Wall Street Journal* as LIBOR (London Inter-Bank Rate and Five Percent (LIBOR + 5%). Any interest payable hereunder shall be calculated on a daily basis from the date such amounts were required to be paid until (but excluding) the date of actual payment, and on the basis of a 360-day year. The parties acknowledge and agree that in no event shall the Company be obligated to pay the Termination Fee on more than one occasion.

(e) Except as expressly set forth in this **Section 7.06**, all Expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such Expenses.

Section 7.07 Amendment. At any time prior to the Effective Time, this Agreement may be amended or supplemented in any and all respects, whether before or after receipt of the Requisite Company Vote, by written agreement signed by each of the parties hereto; *provided, however,* that following the receipt of the Requisite Company Vote, there shall be no amendment or supplement to the provisions of this Agreement which by Law or in accordance with the rules of any relevant self-regulatory organization would require further approval by the holders of Company Common Stock without such approval.

Section 7.08 Extension; Waiver. At any time prior to the Effective Time, Parent or Merger Subsidiary, on the one hand, or the Company, on the other hand, may (a) extend the time for the performance of any of the obligations of the other parties, (b) waive any inaccuracies in the representations and warranties of the other parties contained in this Agreement or in any document delivered under this Agreement, or (c) unless prohibited by applicable Law, waive compliance with any of the covenants, agreements or conditions contained in this Agreement. Any agreement on the part of a party to any extension or waiver will be valid only if set forth in an instrument in writing signed by such party. The failure of any party to assert any of its rights under this Agreement or otherwise will not constitute a waiver of such rights.

ARTICLE VIII
Miscellaneous

Section 8.01 Definitions. For purposes of this Agreement, the following terms will have the following meanings when used herein with initial capital letters:

"**Acceptable Confidentiality Agreement**" means a confidentiality and standstill agreement that contains confidentiality and standstill provisions that are no less favorable to the Company than those contained in the Confidentiality Agreement.

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with, such first Person. For the purposes of this definition, "control" (including, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by Contract or otherwise.

"**Agreement**" has the meaning set forth in the Preamble.

"**Antitrust Laws**" has the meaning set forth in **Section 3.03(c)**.

"**Book-Entry Shares**" has the meaning set forth in **Section 2.02(a)**.

"**Business Day**" means any day, other than Saturday, Sunday or any day on which banking institutions located in Arizona are authorized or required by Law or other governmental action to close.

"**Certificate**" has the meaning set forth in **Section 2.01(c)**.

"**Articles of Merger**" has the meaning set forth in **Section 1.03**.

"**Charter Documents**" has the meaning set forth in **Section 3.01(b)**.

"**Closing**" has the meaning set forth in **Section 1.02**.

"**Closing Date**" has the meaning set forth in **Section 1.02**.

"**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Section 4980B of the Code and Section 601 et. seq. of ERISA.

"**Code**" has the meaning set forth in **Section 2.05**.

"**Company**" has the meaning set forth in the Preamble.

"**Company Acquisition Agreement**" has the meaning set forth in **Section 5.04(a)**.

"**Company Adverse Recommendation Change**" has the meaning set forth in **Section 5.04(a)**.

"**Company Balance Sheet**" has the meaning set forth in **Section 3.04(e).**

"**Company Board**" has the meaning set forth in the Recitals.

"**Company Board Recommendation**" has the meaning set forth in **Section 3.03(d)**.

"**Company Common Stock**" has the meaning set forth in the Recitals.

"**Company Continuing Employees**" has the meaning set forth in **Section 5.07(a)**.

"**Company Disclosure Letter**" has the meaning set forth in the introductory language in **Article III**.

"**Company Employee**" has the meaning set forth in **Section 3.12(a)**.

"**Company Employee Agreement**" means any Contract between the Company or any of its Subsidiaries and a Company Employee.

"**Company Employee Plans**" has the meaning set forth in **Section 3.12(a)**.

"**Company Equity Award**" means a Company Stock Option or a Company Stock Award or a phantom stock award, as the case may be.

"**Company ERISA Affiliate**" means, with respect to any Person, any other Person that, together with such first Person, would be treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code.

"**Company Financial Advisor**" has the meaning set forth in **Section 3.10**.

"**Company IP**" has the meaning set forth in **Section 3.07(b)**.

"**Company IP Agreements**" means all licenses, sublicenses, consent to use agreements, covenants not to sue and permissions and other Contracts, including the right to receive royalties or any other consideration, whether written or oral, relating to Intellectual Property and to which the Company or any of its Subsidiaries is a party or under which the Company or any of its Subsidiaries is a licensor or licensee.

"**Company Material Adverse Effect**" means any event, occurrence, fact, condition or change that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (i) the business, results of operations, prospects, condition (financial or otherwise), or assets of the Company, taken as a whole, or (ii) the ability of the Company to consummate the transactions contemplated hereby on a timely basis; *provided, however,* that, for the purposes of clause (i), a Company Material Adverse Effect shall not be deemed to include events, occurrences, facts, conditions or changes arising out of, relating to or resulting from: (a) changes generally affecting the economy, financial or securities markets; (b) the announcement of the transactions contemplated by this Agreement; (c) any outbreak or escalation of war or any act of terrorism; or (d) general conditions in the industry in which the Company operates; provided further, however, that any event, change and effect referred to in clauses (a), (c) or (d) immediately above shall be taken into account in determining whether a Company Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that such event, change or effect has a disproportionate effect on the Company, taken as a whole, compared to other participants in the industries in which the Company conduct their businesses.

"**Company Material Contract**" has the meaning set forth in **Section 3.05(a)**.

"**Company-Owned IP**" means all Intellectual Property owned or purported to be owned by the Company.

"**Company Preferred Stock**" has the meaning set forth in **Section 3.02(a)**.

"**Company Proxy Statement**" has the meaning set forth in **Section 3.16**.

"**Company SEC Documents**" has the meaning set forth in **Section 3.04(a)**.

"**Company Securities**" has the meaning set forth in **Section 3.02(b)**.

"**Company Stock Award**" has the meaning set forth in **Section 2.07(b)**.

"**Company Stock Option**" has the meaning set forth in **Section 2.07(a)**.

"**Company Stock Plans**" has the meaning set forth in **Section 3.02(b)**.

"**Company Stockholders Meeting**" means the special meeting of the Stockholders of the Company to be held to consider the adoption of this Agreement.

"**Confidentiality Agreement**" has the meaning set forth in **Section 5.03.**

"**Consent**" has the meaning set forth in **Section 3.03(c)**.

"**Contracts**" means any contracts, agreements, licenses, notes, bonds, mortgages, indentures, leases or other binding instruments or binding commitments, whether written or oral.

"**Convertible Notes**" means that Core Resource Management, Inc., CRMI Senior Convertible Debentures due 2019 dated May 1, 2014 convertible off the Three Dollars per share. The rate underlying share conversion option is thus devisable by the face value of each Debenture, payable before its maturity date. Nitro Petroleum, Inc., has no Convertible Debt instruments outstanding.

"**Dissenting Shares**" has the meaning set forth in **Section 2.03**.

"**Effective Time**" has the meaning set forth in **Section 1.03**.

"**End Date**" has the meaning set forth in **Section 7.02(a)**.

"**Environmental Laws**" means any applicable Law, and any Order or binding agreement with any Governmental Entity: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Exchange Act**" has the meaning set forth in **Section 3.03(c)**.

"**Exchange Agent**" has the meaning set forth in **Section 2.02(a)**.

"**Expenses**" means, with respect to any Person, all reasonable and documented out-of-pocket fees and expenses (including all fees and expenses of counsel, accountants, business consultants, financial advisors, legal advisers, certified public accountants, and investment bankers of such Person and its Affiliates), incurred by such Person or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and any transactions related thereto including prior negotiations, term sheets, and letters of intent, any litigation with respect thereto, the preparation, printing, filing and mailing of the Proxy Statement, the filing of any required notices under the HSR Act or Foreign Antitrust Laws, or in connection with other regulatory approvals, and all other matters related to the Merger other transactions contemplated hereby.

"**Foreign Antitrust Laws**" has the meaning set forth in **Section 3.03(c)**.

"**Generally Agreed upon Accounting Principles "GAAP"** has the meaning set forth in Section **3.04(b)**.

"**Governmental Antitrust Authority**" has the meaning set forth in **Section 5.09(b)**.

"**Governmental Entity**" has the meaning set forth in **Section 3.03(c)**.

"**Hazardous Substance**" shall mean (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws, and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

"**HSR Act**" has the meaning set forth in **Section 3.03(c)**.

"**Indemnified Party**" has the meaning set forth in **Section 5.09(b)**.

"**Indemnifying Parties**" has the meaning set forth in **Section 5.08(a)**.

"**Intellectual Property**" means all intellectual property and other similar proprietary rights in any jurisdiction worldwide, whether registered or unregistered, including such rights in and to: (a) patents (including all reissues, divisions, Provisionals, continuations and continuations-in-part, re-examinations, renewals and extensions thereof), patent applications, patent disclosures or other patent rights ("**Patents**"); (c) copyrights, design, design registration, and all registrations, applications for registration, and renewals for any of the foregoing, and any "moral" rights ("**Copyrights**"); (d) trademarks, service marks, trade names, business names, logos, trade dress, certification marks and other indicia of commercial source or origin together with all goodwill associated with the foregoing, and all registrations, applications and renewals for any of the foregoing ("**Trademarks**"); (e) trade secrets and business, technical and know-how information, databases, data collections and other confidential and proprietary information and all rights therein ("**Trade Secrets**"); (f) software, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other software-related specifications and documentation ("**Software**"); and (g) Internet domain name registrations.

"**IRS**" means the United States Internal Revenue Service.

"**Knowledge**" means, when used with respect to the Company, the actual or constructive knowledge of any officer or director, after due inquiry.

"**Laws**" means any domestic or foreign laws, common law, statutes, ordinances, rules, regulations, codes, Orders or legally enforceable requirements enacted, issued, adopted, promulgated, enforced, ordered or applied by any Governmental Entity.

"**Lease**" shall mean all leases, subleases and other agreements under which the Company or any of its Subsidiaries leases, uses or occupies, or has the right to use or occupy, any real property.

"**Leased Real Estate**" shall mean all real property that the Company or any of its Subsidiaries leases, subleases or otherwise uses or occupies, or has the right to use or occupy, pursuant to a Lease.

"**Legal Action**" has the meaning set forth in **Section 3.09**.

"**Liability**" shall mean any liability, indebtedness or obligation of any kind (whether accrued, absolute, contingent, matured, unmatured or otherwise, and whether or not required to be recorded or reflected on a balance sheet under GAAP).

"**Liens**" means, with respect to any property or asset, all pledges, liens, mortgages, charges, encumbrances, hypothecations, options, rights of first refusal, rights of first offer and security interests of any kind or nature whatsoever.

"**Maximum Premium**" has the meaning set forth in **Section 5.08(c).**

"**Merger**" has the meaning set forth in **Section 1.01**.

"**Merger Subsidiary**" has the meaning set forth in the Preamble.

"**Merger Consideration**" has the meaning set forth in **Section 2.01(b**).

"**Multi-employer Plan**" has the meaning set forth in **Section 3.12(c)**.

"NRSC" "Nevada Restated Statutes of Corporations" has meaning set forth in **Section 1.01.**

"**Notice Period**" has the meaning set forth in **Section 5.04(d**).

"OTCQB" has and has meaning set forth in **Section3.03(c)**. OTCQB. Is the Over the Counter marketplace exchange for venture stage US SEC reporting companies. The OTCQB is the mid-tier of three marketplaces for trading over-the-counter stocks provided and operated by the OTC markets group.

"**Order**" has the meaning set forth in **Section 3.09**.

"**Owned Real Estate**" shall mean any real estate owned in fee by Company or any of its Subsidiaries, together with all buildings, structures, fixtures and improvements thereon and all of the Company's and its Subsidiaries' rights thereto, including without limitation, all easements, rights of way and appurtenances relating thereto.

"**Parent**" has the meaning set forth in the Preamble.

"**Parent Benefit Plans**" has the meaning set forth in **Section 5.07(b)**.

"**Payment Fund**" has the meaning set forth in **Section 2.02(a)**.

"**Permits**" has the meaning set forth in **Section 3.08(b).**

"**Permitted Liens**" means (a) statutory Liens for current Taxes or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith (provided appropriate reserves required pursuant to GAAP have been made in respect thereof), (b) mechanics', carriers', workers', repairers' and similar statutory Liens arising or incurred in the ordinary course of business for amounts which are not delinquent or which are being contested by appropriate proceedings (provided appropriate reserves required pursuant to GAAP have been made in respect thereof), (c) zoning, entitlement, building and other land use regulations imposed by Governmental Entities having jurisdiction over such Person's owned or leased real property, which are not violated by the current use and operation of such real property, (d) covenants, conditions, restrictions, easements and other similar non-monetary matters of record affecting title to such Person's owned or leased real property, which do not materially impair the occupancy or use of such real property for the purposes for which it is currently used in connection with such Person's businesses, (e) any right of way or easement related to public roads and highways, which do not materially impair the occupancy or use of such real property for the purposes for which it is currently used in connection with such Person's businesses, and (f) Liens arising under workers' compensation, unemployment insurance, social security, retirement and similar legislation.

"**Person**" means any individual, corporation, limited or general partnership, limited liability company, limited liability partnership, trust, association, joint venture, Governmental Entity and other entity and group (which term will include a "group" as such term is defined in Section 13(d)(3) of the Exchange Act).

"**Real Estate**" means the Owned Real Estate and the Leased Real Estate.

"**Representatives**" has the meaning set forth in **Section 5.04(a).**

"**Requisite Company Vote**" has the meaning set forth in **Section 3.03(a**).

"**Sarbanes-Oxley Act**" has the meaning set forth in **Section 3.04(g)**.

"**SEC**" "Securities and Exchange Commission" has the meaning set forth in **Section 3.03(c)**.

"**Securities Act**" has the meaning set forth in **Section 3.04(a)**.

"**Subsidiary**" means, when used with respect to any party, and except as set forth on Section 8.01(iii) of the Company Disclosure Letter, any corporation or other organization, whether incorporated or unincorporated, a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such party or by any one or more of its subsidiaries, or by such party and one or more of its subsidiaries.

"**Superior Proposal**" means a bona fide written Takeover Proposal involving the direct or indirect acquisition pursuant to a tender offer, exchange offer, merger, consolidation or other business combination, of all or substantially all of the Company's consolidated assets or a majority of the outstanding Company Common Stock, that the Company Board determines in good faith (after consultation with outside legal counsel and the Company Financial Advisor) is more favorable from a financial point of view to the holders of Company Common Stock than the transactions contemplated by this Agreement, taking into account (a) all financial considerations, (b) the identity of the third party making such Takeover Proposal, (c) the anticipated timing, conditions (including any financing condition or the reliability of any debt or equity funding commitments) and prospects for completion of such Takeover Proposal, (d) the other terms and conditions of such Takeover Proposal and the implications thereof on the Company, including relevant legal, regulatory and other aspects of such Takeover Proposal deemed relevant by the Company Board and (e) any revisions to the terms of this Agreement and the Merger proposed by the Parent during the Notice Period set forth in **Section 5.04(d).**

"**Surviving Corporation**" has the meaning set forth in **Section 1.01**.

"**Takeover Proposal**" means a proposal or offer from, or indication of interest in making a proposal or offer by, any Person (other than Parent and its Subsidiaries, including Merger Sub) relating to any (a) direct or indirect acquisition of assets of the Company or its Subsidiaries (including any voting equity interests of Subsidiaries, but excluding sales of assets in the ordinary course of business) equal to fifteen percent (15%) or more of the fair market value of the Company's consolidated assets or to which fifteen percent (15%) or more of the Company's net revenues or net income on a consolidated basis are attributable, (b) direct or indirect acquisition of fifteen percent (15%) or more of the voting equity interests of the Company, (c) tender offer or exchange offer that if consummated would result in any Person beneficially owning (within the meaning of Section 13(d) of the Exchange Act) fifteen percent (15%) or more of the voting equity interests of the Company, (d) merger, consolidation, other business combination or similar transaction involving the Company or any of its Subsidiaries, pursuant to which such Person would own fifteen percent (15%) or more of the consolidated assets, net revenues or net income of the Company, taken as a whole, or (e) liquidation or dissolution (or the adoption of a plan of liquidation or dissolution) of the Company or the declaration or payment of an extraordinary dividend (whether in cash or other property) by the Company.

"**Taxes**" means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"**Tax Returns**" means any return, declaration, report, claim for refund, information return or statement or other document required to be filed with or provided to any taxing authority in respect of Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Termination Fee**" means FIFTY THOUSAND DOLLARS ($50,000) base minimum amount in addition to break up fees as provided herein and within Binding Letter of Intent dated July 22, 2014.

"**Treasury Regulations**" means the Treasury regulations promulgated under the Code.

"**Voting Debt**" has the meaning set forth in **Section 3.02(c)**.

"**Warrants**" has the meaning set forth in **Section 2.08**.

Section 8.02 Interpretation; Construction.

(a) The table of contents and headings herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof. Where a reference in this Agreement is made to a Section, Exhibit or Schedule, such reference shall be to a Section of, Exhibit to or Schedule of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." A reference in this Agreement to $ or dollars is to U.S. dollars. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to "this Agreement" shall include the Company Disclosure Letter.

(b) The parties have participated jointly in negotiating and drafting this Agreement. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

Section 8.03 Survival. None of the representations and warranties contained in this Agreement or in any instrument delivered under this Agreement will survive the Effective Time. This **Section 8.03** does not limit any covenant of the parties to this Agreement which, by its terms, contemplates performance after the Effective Time. The Confidentiality Agreement will (a) survive termination of this Agreement in accordance with its terms and (b) terminate as of the Effective Time.

Section 8.04 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada without giving effect to any choice or conflict of law provision or rule (whether of the State of Oklahoma or any other jurisdiction) that would cause the application of Laws of any jurisdiction other than those of the State of Nevada. Except, as enforcement of the agreement procedurally may be brought as action in the State of ARIZONA, including enforcement of any injunctive relief or specific performance and costs or fee associate with such performance or non-performance.

Section 8.05 Submission to Jurisdiction. Each of the parties hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by any other party hereto or its successors or assigns shall be brought and determined exclusively in the State of Arizona, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, in the Superior Court of Maricopa County. Each of the parties hereto agrees that mailing of process or other papers in connection with any such action or proceeding in the manner provided in **Section 8.07** or in such other manner as may be permitted by applicable Laws, will be valid and sufficient service thereof. Each of the parties hereto hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court or tribunal other than the aforesaid courts. Each of the parties hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder:

(i) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve process in accordance with this **Section 8.05**,

(ii) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and

(iii) to the fullest extent permitted by the applicable Law, any claim that (A) the suit, action or proceeding in such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper, or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

Section 8.06 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT:

(A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION,

(B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER,

(C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND

(D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.06.

Section 8.07 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt), (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested), (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient, or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 8.07**):

If to Parent or Merger Subsidiary, to:	Core Resource Management, Inc. 3131 E. Camelback Rd. STE. 211 Phoenix, AZ 85016 Attention: Mr. James Clark Phone: 602.34.3230

with a copy (which will not constitute notice to Parent or Merger Subsidiary) to:	Goldman Legal Advisers, LLC 625 W. 5th Street Clare, MI 48617
If to the Company, to:	Nitro Petroleum, Inc. 625 W. Independence STE 101 Shawnee, OK 74804 Phone: 405.273.9119 Attention: Mr. Jim Borem

Or to such other Persons, addresses or facsimile numbers as may be designated in writing by the Person entitled to receive such communication as provided above.

Section 8.08 Entire Agreement. This Agreement (including the Exhibits to this Agreement), the Binding Letter of Intent dated July 22, 2014, the Company Disclosure Letter, and the Confidentiality Agreement constitute the entire agreement among the parties with respect to the subject matter of this Agreement and supersede all other prior agreements and understandings, both written and oral, among the parties to this Agreement with respect to the subject matter of this Agreement. In the event of any inconsistency between the statements in the body of this Agreement, the Binding Letter of Intent, the Confidentiality Agreement and the Company Disclosure Letter (other than an exception expressly set forth as such in the Company Disclosure Letter), the statements in the body of this Agreement will control.

Section 8.09 No Third Party Beneficiaries. Except as provided in **Section 5.08** hereof (which shall be to the benefit of the parties referred to in such section), this Agreement is for the sole benefit of the parties hereto and their permitted assigns, contracted legal advisers, contracted financial advisers, and respective successors, and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement, other than the entity types named within this section.

Section 8.10 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, 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 a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.11 Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; *provided, however,* that prior to the Effective Time, Merger Subsidiary may, without the prior written consent of the Company, assign all or any portion of its rights under this Agreement to Parent or to one or more of Parent's direct or indirect wholly-owned subsidiaries. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.12 Remedies. Except as otherwise provided in this Agreement, any and all remedies expressly conferred upon a party to this Agreement will be cumulative with, and not exclusive of, any other remedy contained in this Agreement, at Law or in equity. The exercise by a party to this Agreement of any one remedy will not preclude the exercise by it of any other remedy.

Section 8.13 Specific Performance. The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any federal court located in the State of Arizona, in addition to any other remedy to which they are entitled at Law or in equity, in the State of ARIZONA or by jurisdiction at law by the State of NEVADA.

Section 8.14 Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts, all of which will be one and the same agreement. This Agreement will become effective when each party to this Agreement will have received counterparts signed by all of the other parties.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

Nitro Petroleum, Inc.

By /s/Jim Borem

Name: Mr. Jim Borem
Title: CEO

Core Resource Management, Inc.

By /s/James Clark

Name: Mr. James Clark
Title: CEO

Core Resource Management Holdings, Co.

By /s/James Clark

Name: Mr. James Clark
Title: CEO

EXHIBIT A

[EXHIBIT TITLE]

Exhibit 10.4

Employment Agreement

between

Core Resource Management, Inc.

and

Mr. James Borem

Dated: August 1, 2014

This Employment Agreement (the "**Agreement**") is made and entered into as of August, 1, 2014 by and between Mr. James Borem (the "**Employee**") and Core Resource Management, Inc., a Nevada Company (the "**Company**").

WHEREAS, the Company desires to employ the Employee on the terms and conditions set forth herein; and

WHEREAS, the Employee desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

1. Term. The Employee's employment hereunder shall be effective as of August 7, 2014. (the "**Effective Date**") and shall continue until the same date of 2016 as anniversary thereof, unless terminated earlier pursuant to the termination section of this Agreement; provided that, on anniversary of the Effective Date and each bi-annual anniversary thereafter "**Renewal Date**", the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of two years, unless either party provides written notice of its intention not to extend the term of the Agreement at least THIRTY (“30”) days' prior to the applicable Renewal Date. The period during which the Employee is employed by the Company hereunder is hereinafter referred to as the "**Employment Term**".

2. Position and Duties.

2.1 Position. During the Employment Term, the Employee shall serve as the **Chief Operating Officer- Field Unit ("COO")**, reporting to the Chairman of the Board ("COB") and the Chief Executive Officer ("CEO"). In such position, the Employee shall have such duties, authority and responsibility as shall be determined from time to time by COB or CEO as which duties, authority and responsibility are consistent with the Employee's position. The Employee shall, if requested, also serve as a member of the board of directors of the Company (the "**Board**") or as an officer or director of any affiliate of the Company for no additional compensation.

2.2 Duties. During the Employment Term, the Employee shall devote substantially all of his business time and attention to the performance of the Employee's duties hereunder. Notwithstanding the foregoing, the Employee will be permitted to (a) act or serve as a director, trustee, committee member or principal of any type of business, civic or charitable organization as long as such activities are disclosed in writing to the Company's COB in accordance with the Company's Conflict of Interest Policy, and (b) without regard to Core Resource Management or its subsidiaries, purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that, such ownership represents a passive investment and that the Employee is not a controlling person of, or a member of a group that controls, such corporation; provided further that, the activities described in clauses (a) and (b) do not interfere with the performance of the Employee's duties and responsibilities to the Company as provided hereunder, including, but not limited to, the obligations set forth in **Section 2** hereof.

2.3 Basic Duties Defined. As COO, Employee shall perform these basic duties:

(1) Manage Operations and Affairs of Operating Wells

(2) Staff Well Operations;

(3) Vet suitability of potential future partnerships and acquisitions or divestitures

(4) Assist in the negotiation of any such contractual arrangement (including new and current holdings)

(5) Assist CEO and COB as directed. As stated in this section, Employee's day to day job duties may be dictated by management as it sees fit to direct.

2.4 Place of Performance. The principal place of Employee's employment shall be at 624 W. Independence St. STE. 101 Shawnee, Oklahoma 74804, in the field as needed and directed, and Core Resource Management's currently located management office in Phoenix, Arizona; (or other such designated address upon arrangement) provided that, the Employee may be required to travel on Company business during the Employment Term. Company office address of Employee: 3131 E. Camelback Road, Phoenix, Arizona 85016.

3. Compensation.

3.1 **Base Salary**. **The Company shall pay the Employee a Monthly rate of base salary of Four Thousand Dollars ("$4,000") PER MONTH in periodic installments in accordance with the Company's customary payroll practices, but no less frequently than monthly.** The Employee's base salary shall be reviewed at least annually by the Board and the Board may, but shall not be required to, increase the base salary during the Employment Term. However, the Employee's base salary may not be decreased during the Employment Term other than as part of an across-the-board salary reduction that applies in the same manner to all senior Employees. The Employee's annual base salary, as in effect from time to time, is hereinafter referred to as "**Base Salary**".

3.2 Base Salary Equity Option. Equity may be accepted as a form of base salary payment at the option of Employee. Such option may take place at any time during the first Thirty days of each fiscal quarter. The rate of the Equity option will be determined by the average daily closing market price of such stock, as listed on exchange, for the first five days of such quarter; discounted Twenty Percent from that average. Such election will allow Employee to receive direct transfer monthly of such shares, during each month within such quarter, as this option is elected.

3.3 Equity Awards. During the Employment Term, the Employee shall be eligible to participate in common share acquisition as per terms herein. The aggregate amount of the equity will begin in the amount of 150,000 shares of the highest outstanding class of Core Resource Management, Inc. "CRMI" stock. These 150,000 represent an option to purchase at the price of .01 at three intervals over the first year of this employment period in the following manner:

(1) The first 50,000 shares shall be available for purchase at signing of this agreement. (August 8, 2014)

(2) The second 50,000 shares shall be available for purchase six months after the execution date of this agreement. (February 8, 2015)

(3) The third 50,000 share shall be available for purchase twelve months after the execution date of this agreement. (August 8, 2015)

All Equity Award Options Provided by Company and executed by Employee may not be modified, restricted or diluted in any way after the option has been executed as stated herein. The option to purchase must be made within THIRTY days after the available execution dates described above.

3.4 Quarterly Bonus. For each calendar quarter of the Employment Term, the Employee shall be eligible to receive a bonus. However, the decision to provide any Bonus and the amount and terms of any Bonus shall be in the sole and absolute discretion of the Chief Executive Officer and approved by the Board designated as the compensation committee. (the "Compensation Committee") Further, there shall be a formal quarterly bonus meeting between the CEO and Employee and is agreed that such meeting will take place as a formal review within five business days after each calendar quarter. At such meeting, Bonuses may be given based on value to the company in the form of direct monetary gain, agent or employee management, other non-monetary structural, merger-acquisitions, or divestiture, or marketing benefit to the Company, or from Sales, joint-ventures, or Acquisitions brought delivered to the Company. Employee may be offered such bonus in the form of cash, equity, or a combination of such.

3.5 Fringe Benefits and Perquisites. During the Employment Term, the Employee shall be entitled to fringe benefits and perquisites consistent with the practices of the Company, and to the extent the Company provides similar benefits or perquisites (or both) to similarly situated Employees of the Company. No fringe benefits shall be part of this contract but may be added as seen fit by the BOD.

3.6 Employee Benefits. During the Employment Term, the Employee shall be entitled to receive an employee benefit plan for Health Insurance Compensation (if coverage is elected) in the amount of FOUR HUNDRED DOLLARS ($400) per month as an employee benefit plan. This amount is guaranteed as a portion of benefit conferred to employee, and additional benefits are not contemplated at this time, however may be added by BOD at any time to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. (collectively, "**Employee Benefit Plans**") The Company reserves the right to amend or cancel any Employee Benefit Plans at any time in its sole discretion beyond the guaranteed amount above, subject to the terms of such Employee Benefit Plan and applicable law.

3.7 Vacation; Paid Time-off. During the Employment Term, the Employee will be entitled to paid vacation on a basis that is at least as favorable as that provided to other similarly situated Employees of the Company. The Employee shall receive other paid time-off in accordance with the Company's policies for Employee officers as such policies may exist from time to time.

3.8 Business Expenses. The Employee shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment and travel expenses incurred by the Employee in connection with the performance of the Employee's duties hereunder in accordance with the Company's expense reimbursement policies and procedures.

3.9 Indemnification.

(a) In the event that the Employee is made a party or threatened to be made a party to any action, suit, or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**"), other than any Proceeding initiated by the Employee or the Company related to any contest or dispute between the Employee and the Company or any of its affiliates with respect to this Agreement or the Employee's employment hereunder, by reason of the fact that the Employee is or was a director or officer of the Company, or any affiliate of the Company, or is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation or a partnership, joint venture, trust or other enterprise, the Employee shall be indemnified and held harmless by the Company to the fullest extent applicable to any other officer or director of the Company to the maximum extent permitted under applicable law and the Company's bylaws from and against any liabilities, costs, claims and expenses, including all costs and expenses incurred in defense of any Proceeding. An undertaking adequate under applicable law made by or on behalf of the Employee may be asked to repay the amounts paid in defense of such Employee if it shall ultimately be determined that the Employee is not entitled to be indemnified by the Company under this Agreement.

4. Termination of Employment. The Employment Term and the Employee's employment hereunder may be terminated by either the Company or the Employee at any time and for any reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least Thirty (30) days advance written notice of any termination of the Employee's employment. Upon termination of the Employee's employment during the Employment Term, the Employee shall be entitled to the compensation and benefits described in this Section and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

4.1 Expiration of the Term, for Cause or Without Good Reason.

(a) The Employee's employment hereunder may be terminated upon either party's failure to renew the Agreement in accordance with **Section 1**, by the Company for Cause or by the Employee without Good Reason. If the Employee's employment is terminated upon either party's failure to renew the Agreement, by the Company for Cause or by the Employee without Good Reason, the Employee shall be entitled to receive:

(1) any accrued but unpaid Base Salary and accrued but unused vacation which shall be paid on the Termination Date within one (1) week following the Termination Date;

(2) Such equity benefits listed in Section ('3.2'), in which the option has been executed, hereby shall survive termination, disability or death.

(3) Reimbursement for unreimbursed business expenses properly incurred by the Employee, which shall be subject to and paid in accordance with the Company's expense reimbursement policy.

Non-renewal by the Company, Without Cause or for Good Reason. The Employment Term and the Employee's employment hereunder may be terminated by the Employee or by the Company on account of the Company's failure to renew the Agreement in accordance with **Section 1**. In the event of such termination, the Employee shall be entitled to receive the Accrued Amounts the Employee shall be entitled to receive the following:

(a) If the Employee timely and properly elects continuation coverage under the Consolidated Omnibus Reconciliation Act of 1985 ("**COBRA**"), the Company shall reimburse the Employee for [the monthly COBRA premium paid by the Employee for himself and his dependents. Such reimbursement shall be paid to the Employee on the first day of the month immediately following the month in which the Employee timely remits the premium payment.] The Employee shall be eligible to receive such reimbursement until the earliest of: (i) the twelfth- month anniversary of the Termination Date; (ii) the date the Employee is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Employee becomes eligible to receive substantially similar coverage from another employer. Notwithstanding the foregoing, if the Company's making payments under this Section would violate the nondiscrimination rules applicable to non-grandfathered plans, or result in the imposition of penalties under the Patient Protection and Affordable Care Act of 2010 and the related regulations and guidance promulgated thereunder (the "**PPACA**"), the parties agree to reform this section in a manner as is necessary to comply with the PPACA.

(b) Notwithstanding the terms of any Equity Award provisions or any applicable award agreements:

(1) all vested stock option acquisitions or stock appreciation rights granted to the Employee during the Employment Term as described herein, shall remain vested and my not be withdrawn upon such vesting;

(2) all outstanding equity-based compensation awards other than stock options/stock appreciation rights that are not intended to qualify as performance-based compensation under Section 162(m)(4)(C) of the Internal Revenue Code of 1986, as amended (the "**Code**"), shall become fully vested and the restrictions thereon shall lapse; provided that, any delays in the settlement or payment of such awards that are set forth in the applicable award agreement and that are required under Section 409A of the Code ("**Section 409A**") shall remain in effect;

4.2 Notice of Termination. Any termination of the Employee's employment hereunder by the Company or by the Employee during the Employment Term (other than termination pursuant to the section on account of the Employee's death) shall be communicated by written notice of termination ("**Notice of Termination**") to the other party hereto in accordance with this agreement. Notice must be given Thirty days prior to end of the term. The Notice of Termination shall specify:

(a) The termination provision of this Agreement relied upon;

(b) To the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated; and

(c) The applicable Termination Date.

4.3 Mitigation. In no event shall the Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Employee under any of the provisions of this Agreement and except as provided in Section 4.1(a), any amounts payable pursuant to this Section 4 shall not be reduced by compensation the Employee earns on account of employment with another employer.

5. Other Known Responsibilities. Company acknowledges that Employee may have other consulting or agency arrangements with other companies. It is understood that such position may cause employee to spend time managing such business. Employee's will attest that other responsibilities will conflict with the Corporate opportunity for Core Resource Management or employment duties hereunder. In the event such conflict exists, Employee will report such directly to CEO or Board of Directors within Five Days of learning of conflict and will come to a resolution with the Company Board. Failure to report or come to such resolution will constitute grounds for termination and may involve additional liability.

6. Cooperation. The parties agree that certain matters in which the Employee will be involved during the Employment Term may necessitate the Employee's cooperation in the future. Accordingly, following the termination of the Employee's employment for any reason, to the extent reasonably requested by the Board, the Employee shall cooperate with the Company in connection with matters arising out of the Employee's service to the Company; provided that, the Company shall make reasonable efforts to minimize disruption of the Employee's other activities. The Company shall reimburse the Employee for reasonable expenses incurred in connection with such cooperation and, to the extent that the Employee is required to spend substantial time on such matters, the Company shall compensate the Employee at an hourly rate based on the Employee's Base Salary on the Termination Date.

7. Confidential Information. The Employee understands and acknowledges that during the Employment Term, he will have access to and learn about Confidential Information, as defined below.

7.1 Confidential Information Defined.

(a) Definition.

For purposes of this Agreement, "**Confidential Information**" includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, terms of agreements, transactions, potential transactions, negotiations, pending negotiations, know-how, trade secrets, databases, manuals, records, articles, material, sources of material, ,legal information, marketing information, advertising information, pricing information, credit information, payroll information, staffing information, personnel information, employee lists, developments, reports, internal controls, market studies, sales information, revenue, costs, formulae, notes, communications, algorithms, ideas, inventions, customer information, customer lists, client information, client lists of the Company or its businesses or any existing or prospective customer, investor or other associated third party, or of any other person or entity that has entrusted information to the Company in confidence.

The Employee understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Employee understands and agrees that Confidential Information includes information developed by him in the course of his employment by the Company as if the Company furnished the same Confidential Information to the Employee in the first instance. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Employee; provided that, such disclosure is through no direct or indirect fault of the Employee or persons acting on the Employee's behalf.

(b) Company Creation and Use of Confidential Information.

The Employee understands and acknowledges that the Company has invested, and continues to invest, substantial time, money and specialized knowledge into developing its resources, creating a client base, generating client and potential client lists, training its employees, and improving its offerings in the field of Finance, Financial Derivatives, and the Oil and Gas Industry. The Employee understands and acknowledges that as a result of these efforts, the Company has created, and continues to use and create Confidential Information. This Confidential Information provides the Company with a competitive advantage over others in the marketplace.

(c) Disclosure and Use Restrictions.

The Employee agrees and covenants: (i) to treat all Confidential Information as strictly confidential; (ii) not to directly or indirectly disclose, publish, communicate or make available Confidential Information, or allow it to be disclosed, published, communicated or made available, in whole or part, to any entity or person whatsoever (including other employees of the Company) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Company and, in any event, not to anyone outside of the direct employ of the Company except as required in the performance of the Employee's authorized employment duties to the Company or with the prior consent of the CEO and acting on behalf of the Company in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent); and (iii) not to access or use any Confidential Information, and not to copy any documents, records, files, media or other resources containing any Confidential Information, or remove any such documents, records, files, media or other resources from the premises or control of the Company, except as required in the performance of the Employee's authorized employment duties to the Company or with the prior consent of CEO and acting on behalf of the Company in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent). Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation or order. The Employee shall promptly provide written notice of any such order to the Chief Executive Officer.

The Employee understands and acknowledges that his obligations under this Agreement with regard to any particular Confidential Information shall commence immediately upon the Employee first having access to such Confidential Information (whether before or after he begins employment by the Company) and shall continue during and after his employment by the Company until such time as such Confidential Information has become public knowledge other than as a result of the Employee's breach of this Agreement or breach by those acting in concert with the Employee or on the Employee's behalf.

8. Restrictive Covenants.

8.1 Acknowledgment. The Employee understands that the nature of the Employee's position gives him access to and knowledge of Confidential Information and places him in a position of trust and confidence with the Company. The Employee understands and acknowledges that the intellectual services he provides to the Company are unique, special or extraordinary in the sense that it relates to specific ideas, financial, or facts of Core Resource Management.

The Employee further understands and acknowledges that the Company's ability to reserve these for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure by the Employee is likely to result in unfair or unlawful competitive activity.

8.2 Protected Rights.

Nothing herein shall prohibit the Employee from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Employee is not a controlling person of, or a member of a group that controls, such corporation. Such restriction limitation does not include ownership within Core Resource Management, Inc. or any of its subsidiaries.

This **Section** 8 does not, in any way, restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation or order. The Employee shall promptly provide written notice of any such order to the Chief Executive Officer.

8.3 Non-solicitation of Employees. The Employee agrees and covenants not to directly or indirectly solicit, hire, recruit, and attempt to hire or recruit, or induce the termination of employment of any employee of the Company during term of TWELVE MONTHS, to run consecutively, beginning on the last day of the Employee's employment with the Company.

8.4 Non-solicitation of Customers. The Employee understands and acknowledges that because of the Employee's experience with and relationship to the Company, he will have access to and learn about much or all of the Company's customer information. "**Customer Information**" includes, but is not limited to, names, phone numbers, addresses, e-mail addresses, order history, order preferences, chain of command, pricing information and other information identifying facts and circumstances specific to the customer and relevant to sales and services.

The Employee understands and acknowledges that loss of this customer relationship and/or goodwill will cause significant and irreparable harm to Company.

The Employee agrees and covenants, during Twelve Months, to run consecutively, beginning on the last day of the Employee's employment with the Company, not to directly or indirectly solicit, contact (including but not limited to e-mail, regular mail, express mail, telephone, fax, and instant message), attempt to contact or meet with the Company's current, former or prospective customers for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company. Company acknowledges that Employee has a separate business that is within the oil and gas sector, and that such customers in which Employee had a prior relationship or developed a relationship due to one of its going concerns shall not breach this provision.

This restriction shall only apply to:

(a) Customers or prospective customers the Employee contacted in any way during the past Twelve Months on behalf of the company.

(b) Customers about whom the Employee has trade secret or confidential information.

(c) Customers who became customers during the Employee's employment with the Company.

(d) Customers about whom the Employee has information that is not available publicly.

9. Company acknowledges that Employee has a separate business that is within the oil and gas sector, and that such customers in which Employee had a prior relationship or developed a relationship due to one of its going concerns shall not breach this provision.

9.1 Non-Usurping Corporate Opportunity. The Employee understands and acknowledges that because of the Employee's experience with and relationship to the Company, he will have access to and learn about much or all of the Company's potential targeted acquisitions, or potential asset purchases, investment banking relationships, venture capital relationship, consultancy relationships, and other relationships with finders.

The Employee understands and acknowledges that loss of this asset or financing relationship and/or goodwill will cause significant and irreparable harm to Company.

The Employee agrees and covenants, during Twelve Months, to run consecutively, beginning on the last day of the Employee's employment with the Company, not to directly or indirectly solicit, contact (including but not limited to e-mail, regular mail, express mail, telephone, fax, and instant message), attempt to contact or meet with the Company's current, former or prospective acquisition targets, banking relationships, or other relationship described within this section for purposes of engaging or using for financial gain such relationships outside of the scope of CRMI corporate purposes. This section shall not apply to any relationship Employee had prior to Employment, or contact that Employee introduced to Company.

10. Non-disparagement. The Employee agrees and covenants that he will not at any time make, publish or communicate to any person or entity or in any public forum any defamatory or disparaging remarks, comments or statements concerning the Company or its businesses, or any of its employees, officers, and existing and prospective customers, suppliers, investors and other associated third parties.

This **Section** 9 does not, in any way, restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation or order. The Employee shall promptly provide written notice of any such order to the Chief Executive Officer.

The Company agrees and covenants that it shall cause its officers and directors to refrain from making any defamatory or disparaging remarks, comments or statements concerning the Employee to any third parties.

11. Acknowledgement. The Employee acknowledges and agrees that the services to be rendered by him to the Company are of a special and unique character; that the Employee will obtain knowledge and skill relevant to the Company's industry, methods of doing business and marketing strategies by virtue of the Employee's employment; and that the restrictive covenants and other terms and conditions of this Agreement are reasonable and reasonably necessary to protect the legitimate business interest of the Company.

12. Remedies. In the event of a breach or threatened breach by the Employee of this Agreement, the Employee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief.

13. Arbitration. Any dispute, controversy or claim arising out of or related to this Agreement or any breach of this Agreement shall be submitted to and decided by binding arbitration. Any arbitral award determination shall be final and binding upon the Parties.

14. Security.

14.1 Security and Access. The Employee agrees and covenants (a) to comply with all Company security policies and procedures as in force from time to time including without limitation those regarding computer equipment, telephone systems, voicemail systems, facilities access, monitoring, key cards, Company intranet, computer systems, e-mail systems, computer networks, document storage systems, software, data security, encryption, firewalls, passwords and any and all other Company facilities, and IT resources. ("**Facilities Information Technology and Access Resources**"); (b) not to access or use any Facilities and Information Technology Resources except as authorized by the Company; and (c) not to access or use any Facilities and Information Technology Resources in any manner after the termination of the Employee's employment by the Company, whether termination is voluntary or involuntary.

14.2 Exit Obligations. Upon (a) voluntary or involuntary termination of the Employee's employment or (b) the Company's request at any time during the Employee's employment, the Employee shall (i) provide or return to the Company any and all Company property, including keys, key cards, access cards, identification cards, security devices, employer credit cards, network access devices, computers, cell phones, smartphones, PDAs, files, work product, e-mail messages, disks, and data and all Company documents and materials belonging to the Company and stored in any fashion, including but not limited to those that constitute or contain any Confidential Information or Work Product, that are in the possession or control of the Employee, whether they were provided to the Employee by the Company or any of its business associates or created by the Employee in connection with his employment by the Company; and (ii) delete or destroy all copies of any such documents and materials not returned to the Company that remain in the Employee's possession or control, including those stored on any non-Company devices, networks, storage locations and media in the Employee's possession or control.

15. Publicity. The Employee hereby irrevocably consents to any and all uses and displays, by the Company and its agents, representatives and licensees, of the Employee's name, voice, likeness, image, appearance and biographical information in, on or in connection with any publicity for sales or marketing, or any Regulatory reporting or legal reporting at any time during or after the period of his employment by the Company, for all legitimate commercial and business purposes of the Company ("**Permitted Uses**") without further consent from or royalty, payment or other compensation to the Employee.

16. Governing Law: Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of ARIZONA without regard to conflicts of law principles.

17. Entire Agreement. This Agreement contains all of the understandings and representations between the Employee and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

18. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and approved by the Chief Executive Officer of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

19. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law.

The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been set forth herein.

20. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

21. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

22. Tolling. Should the Employee violate any of the terms of the restrictive covenant obligations articulated herein, the obligation at issue will run from the first date on which the Employee ceases to be in violation of such obligation.

22.1 Tax Gross-ups. Any tax gross-up payments provided under this Agreement shall be paid to the Employee on or before December 31 of the calendar year immediately following the calendar year in which the Employee remits the related taxes.

23. Notification to Subsequent Employer. When the Employee's employment with the Company terminates, the Employee agrees to notify any subsequent employer of the restrictive covenants sections contained in this Agreement. The Employee will also deliver a copy of such notice to the Company before the Employee commences employment with any subsequent employer. In addition, the Employee authorizes the Company to provide a copy of the restrictive covenants sections of this Agreement to third parties, including but not limited to, the Employee's subsequent, anticipated or possible future employer.

24. Successors and Assigns. This Agreement is personal to the Employee and shall not be assigned by the Employee. Any purported assignment by the Employee shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

25. Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:

Core Resource Management, Inc. Attn: James Clark
STE 211
3131 E. Camelback Rd.
Phoenix, Arizona 85016

If to the Employee:

Mr. James Borem
624 W. Independence St.
STE. 101
Shawnee, OK 74804

Representations of the Employee. The Employee represents and warrants to the Company that:

25.1 The Employee's acceptance of employment with the Company and the performance of his duties hereunder will not conflict with or result in a violation of, a breach of, or a default under any contract, agreement or understanding to which he is a party or is otherwise bound.

25.2 The Employee's acceptance of employment with the Company and the performance of his duties hereunder will not violate any non-solicitation, non- competition or other similar covenant or agreement of a prior employer.

26. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

27. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

28. Acknowledgment of Full Understanding. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT HE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS CHOICE BEFORE SIGNING THIS AGREEMENT.

{Signature page to follow}

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

CORE RESOURCE MANAGEMENT, INC.

By _____

Name: Mr. James Clark
Title: Chief Executive Officer

EMPLOYEE

Signature: _____

Name: Mr. James Borem