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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C., 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

Commission File Number: 000-51902

INFUSYSTEM HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**20-3341405**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

31700 Research Park Drive
Madison Heights, Michigan 48071
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including Area Code:
(248) 291-1210

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Exchange on which Registered
Common Stock, par value $0.0001 per share	**NYSE MKT**

Securities Registered Pursuant to Section 12(g) of the Act:

None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods as the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of the registrant's voting equity held by non-affiliates of the registrant, computed by reference to the price at which the common stock was last sold as of the last business day of the registrant's most recently completed second fiscal quarter, was $35,262,609. In determining the market value of the voting equity held by non-affiliates, securities of the registrant beneficially owned by directors and officers of the registrant have been excluded. This determination of affiliate status is not necessarily a conclusive determination for other purposes. The number of shares of the registrant's common stock outstanding as of February 27, 2013 was 21,990,000.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of this registrant's definitive proxy statement for its 2013 Annual Meeting of Stockholders to be filed with the SEC no later than 120 days after the end of the registrant's fiscal year are incorporated herein by reference in Part III of this Annual Report on Form 10-K.

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Cautionary Statement about Forward-Looking Statements

This Annual Report on Form 10-K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding the future financial position, business strategy, plans, and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "should," "plan," "expect," and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on current expectations and projections about future events and financial trends that we believe may affect financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, without limitation, those described in "Risk Factors" and elsewhere in this Annual Report on Form 10-K, including, among other things:

- dependence on our Medicare Supplier Number;
- changes in third-party reimbursement rates;
- availability of chemotherapy drugs used in our infusion pump systems;
- physicians' acceptance of infusion pump therapy over oral medications;
- our growth strategy, involving entry into new fields of infusion-based therapy;
- the current global financial crisis;
- State licensure laws for durable medical equipment ("DME");
- health care reform legislation;
- failure to comply with health care regulations;
- dependence on key personnel;
- volatility of our stock price;
- sequestration;
- treatment shifts to oral medications;
- natural disasters affecting us, our customers or our suppliers;
- industry competition; and
- dependence upon our suppliers.

These risks are not exhaustive. Other sections of this Annual Report on Form 10-K include additional factors which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for us to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward looking-statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

PART I

References in this Annual Report on Form 10-K to "we," "us," or the "Company" are to InfuSystem Holdings, Inc. ("InfuSystem") and our wholly owned subsidiaries.

Item 1. Business.

Background

InfuSystem Holdings, Inc. is a Delaware corporation, formed in 2005. It operates through operating subsidiaries, including InfuSystem, Inc., a California corporation ("InfuSystem") and First Biomedical, Inc., a Kansas corporation ("First Biomedical").

Business Concept and Strategy

We are a leading provider of infusion pumps and related services in the United States. We provide our services to hospitals, oncology practices and facilities and other alternate site health care providers. Headquartered in Madison Heights, Michigan, we deliver local, field-based customer support, and also operate pump service and repair Centers of Excellence in Michigan, Kansas, California, and Ontario, Canada.

Our core service is to supply electronic ambulatory infusion pumps and associated disposable supply kits to oncology clinics, infusion clinics and hospital outpatient chemotherapy clinics to be utilized in the treatment of a variety of cancers including colorectal cancer. Colorectal cancer is the third most prevalent form of cancer in the United States, according to the American Cancer Society, and the standard of care for the treatment of colorectal cancer relies upon continuous chemotherapy infusions delivered via electronic ambulatory infusion pumps.

We provide these pumps and related supplies to oncology clinics, obtain an assignment of insurance benefits from the patient, and bill the patient's insurance company or patient as appropriate, for the use of the pump and supplies, and collect payment. We also provide pump management services for the pumps and associated disposable supply kits to approximately 1,600 oncology clinics in the United States, while retaining title to the pumps during this process.

In addition, we sell, rent and lease new and pre-owned pole mounted and ambulatory infusion pumps to oncology practices and provide biomedical certification, maintenance and repair services for these same oncology practices as well as to other alternate site settings including home care and home infusion providers, skilled nursing facilities, pain centers and others in the United States and Canada. We also provide these products and services to customers in the hospital market.

One aspect of our business strategy is to expand into treatment of other cancers. We currently generate approximately 30% of our revenue from treatments for disease states other than colorectal cancer. There are a number of approved treatment regimens for head and neck, pancreatic, esophageal and other gastric cancers which present opportunities for growth. There are also a number of other drugs currently approved by the U.S. Food and Drug Administration (the "FDA"), as well as agents in the pharmaceutical development pipeline, which we believe could potentially be used with continuous infusion protocols for the treatment of diseases other than colorectal cancer. Drugs or protocols currently in clinical trials may also obtain regulatory approval over the next several years. If these new drugs obtain regulatory approval for use with continuous infusion protocols, we expect the pharmaceutical companies to focus their sales and marketing efforts on promoting the new drugs and protocols to physicians.

Another aspect of our business is to seek opportunities to leverage our extensive networks of oncology practices and insurers. This leverage may take the form of new products and/or services, strategic alliances, joint ventures and/or acquisitions, although the latter is greatly limited by our new credit agreement. With that in mind, we believe there are limited opportunities to acquire smaller, regional competitors that perform similar

services to us but do not have the national market access, a network of third party payor contracts or operating economies of scale that we currently enjoy. We also plan to leverage our extensive networks of oncology practices and insurers by distributing complementary products and introducing key new services.

We face the risk that other competitors can provide the same services as we provide. That risk is currently mitigated by our existing third party payor contracts and economies of scale, which allow for predictable reimbursement and less costly purchase and management of the pumps, respectively. Additionally, we have already established a long standing relationship as a provider of pumps to approximately 1,600 oncology clinics in the United States. We believe that there are competitive barriers to entry against other suppliers with respect to these oncology clinics because we have an established national presence and more than 245 third party payor contracts in place covering approximately 222 million third party payor lives (i.e., persons enrolled in various managed care plans or commercial insurance carriers such as health maintenance organizations and preferred provider organizations) increasing the likelihood that we participate in the insurance networks of patients to whom physicians wish to refer an ambulatory infusion pump provider. Moreover, we have an available inventory of approximately 26,000 active ambulatory infusion pumps, which may allow us to be more responsive to the needs of physicians and patients than a new market entrant. We do not perform any research and development.

In view of the Company's changing payor environment, we believe that focusing on operational efficiencies, improving liquidity, and strengthening the balance sheet by reducing debt will support the Company's overall business strategy discussed above.

Continuous Infusion Therapy

Continuous infusion of chemotherapy involves the gradual administration of a drug via a small, lightweight, portable electronic infusion pump over a prolonged period of time, defined as greater than 8 hours, and up to 24 hours daily. A cancer patient can receive his or her medicine anywhere from 1 to 30 days per month depending on the chemotherapy regimen that is most appropriate to that individual's health status and disease state. This may be followed by periods of rest and then repeated cycles with treatment goals of progression free disease survival. This drug administration method has replaced intravenous push or bolus administration in specific circumstances. The advantages of slow continuous low doses of certain drugs are well documented. Clinical studies support the use of continuous infusion chemotherapy for decreased toxicity without loss of anti-tumor efficacy. The 2010/2011 National Comprehensive Cancer Network ("NCCN") Guidelines recommend the use of continuous infusion for treatment of numerous cancer diagnoses. We believe that the growth of continuous infusion therapy is driven by three factors: evidence of improved clinical outcomes; lower toxicity and side effects; and a favorable reimbursement environment.

- In the past decade, significant progress has been made in the treatment of colorectal cancer due to advances in surgery, radiotherapy and chemotherapy. In the late 1990s, medical researchers discovered that the delivery method of the drug (or schedule) was a key component to drug availability, efficacy and tolerability. Schedule dependent anti-tumor activity and toxicity has resulted in continuous infusion 5-Fluorouracil being adopted as the standard of care. In 2000, the FDA approved Camptosar (the trade name for the generic chemotherapy drug Irinotecan), a drug developed by Pfizer, for first-line therapy in combination with 5-Fluorouracil for the treatment of colorectal cancer. In 2002, the FDA approved Eloxatin (the trade name for the generic chemotherapy drug Oxaliplatin), a drug developed by Sanofi-Aventis, for use in combination with continuous infusion 5-Fluorouracil for the treatment of colorectal cancer. FOLFIRI, the chemotherapy protocol which includes Camptosar in combination with continuous infusion 5-Fluorouracil and the drug Leucovorin, and FOLFOX, the chemotherapy protocol which includes Eloxatin in combination with continuous infusion 5-Fluorouracil and Leucovorin, have resulted in significantly improved overall survival rates for colorectal cancer patients at various stages of the disease state. We believe that Sanofi-Aventis and Pfizer have each dedicated significant resources to educating physicians and promoting the use of FOLFOX and FOLFIRI. Simultaneously, the NCCN has established these regimens as the standards of care for the treatment of colorectal cancer.

- The use of continuous infusion has been demonstrated to decrease or alter the toxicity of a number of cytotoxic, or cell killing agents. Higher doses of drugs can be infused over longer periods of time, leading to improved tolerance and decreased toxicity. For example, the cardiotoxicity (heart muscle damage) of the chemotherapy drug Doxorubicin is decreased by schedules of administration (The Chemotherapy Source Book, Perry, M.C.). Nausea, vomiting, diarrhea and decreased white blood cell and platelet counts are all affected by duration of delivery. Continuous infusion can lead to improved tolerance and patient comfort while enhancing the patient's ability to remain on the chemotherapy regimen. Additionally, the lower toxicity profile and resulting reduction in side effects enables patients undergoing continuous infusion therapy to continue a relatively normal lifestyle, which may include continuing to work, go shopping, and care for family members. We believe that the partnering of physician management and patient autonomy provide for the highest quality of care with the greatest patient satisfaction.
- We believe that oncology practices have a heightened sensitivity to whether and how much they are reimbursed for services. Simultaneously, the Center for Medicare and Medicaid Services ("CMS") and private insurers are increasingly focusing on evidence-based medicine to inform their reimbursement decisions — that is, aligning reimbursement with clinical outcomes and adherence to standards of care. Continuous infusion therapy is a main component of the standard of care for certain cancer types because clinical evidence demonstrates superior outcomes. Payors recognize this and it is reflected in favorable reimbursement for clinical services related to the delivery of this care.

Services

Our core service is to provide oncology offices, infusion clinics and hospital out-patient chemotherapy clinics with ambulatory infusion pumps in addition to related supplies for patient use. We then directly bill and collect payment from payors and patients for the use of these pumps. We own approximately 26,000 ambulatory infusion pumps which are dedicated to this service offering. At any given time, it is estimated that approximately 90% of the pumps are in the possession of these facilities. The remainder of the pumps are either in transport for cleaning and calibration or in our facilities as reserves.

After a doctor determines that a patient is eligible for ambulatory infusion pump therapy, the doctor arranges for the patient to receive an infusion pump and provides the necessary chemotherapy drugs. The oncologist and nursing staff train the patient in the use of the pump and initiate service. The physician bills Medicare, Medicaid, third party payor companies (collectively "payors") or patients for the physician's professional services associated with initiating and supervising the infusion pump administration, as well as the supply of drugs. We directly bill payors for the use of the pump and related disposable supplies. Billing to payors requires coordination with patients and physicians who initiate the service, as physicians' offices must provide us with appropriate paperwork (patient's insurance information, physician's order and an acknowledgement of benefits that shows receipt of equipment by the patient) in order for us to bill the payors.

In addition to providing high quality and convenient care, we believe that our business offers significant economic benefits for patients, providers and payors.

- We provide patients with 24-hour by 7 days ("24x7") service and support. We employ oncology and intravenous certified registered nurses trained on ambulatory infusion pump equipment who staff our 24x7 hotline to address questions that patients may have about their pump treatment, the infusion pumps or other medical or technical questions related to the pumps.
- Physicians use our services to outsource the capital commitment, pump service, maintenance and billing and administrative burdens associated with pump ownership. Our service also allows the doctor to continue a direct relationship with the patient and to receive professional service fees for setting up the treatment and administering the drugs.
- We believe our services are attractive to payors because they are generally less expensive than hospitalization or home care.

Other services we offer include the sales, rental and leasing of pole mounted and ambulatory infusion pumps to oncology practices, hospitals and other clinical settings. We own a fleet of approximately 20,000 new and used pole mounted and ambulatory pumps, representing approximately 70 makes and models of equipment which are dedicated to these services. These pumps are available for daily, weekly, monthly or annual rental periods as well as for sale or lease.

In addition to sales, rental and leasing services, we also provide biomedical maintenance, repair and certification services for the devices we offer as well as for devices owned by customers but not acquired through InfuSystem. We operate pump service and repair Centers of Excellence across the United States and Canada and employ a staff of highly trained technicians to provide these services.

Relationships with Physician Offices

We have business relationships with clinical oncologists at approximately 1,600 oncology clinics. Though this represents a substantial number of the oncologists in the United States, we believe we can continue to expand our network to further penetrate the oncology market. Based on our retention rates and the positive results of our professional customer satisfaction research, we believe our relationships with physician offices are strong.

We believe that, in general, we do not compete directly with hospitals and physician offices to treat patients. Rather, by providing products and services to hospitals and physician offices and other care facilities and providers, we believe that we assist other providers in meeting increasing patient demand and manage institutional constraints on capital and manpower due to the nature of limited resources in hospitals and physician offices.

Employees

As of December 31, 2012, we had 206 employees, including 183 full-time employees and 23 part-time employees. None of our employees are unionized.

Material Suppliers

We supply a wide variety of pumps and associated equipment, as well as disposables and ancillary supplies. The majority of our pumps are electronic ambulatory pumps purchased from the following manufacturers, each of which supplies more than 10% of the ambulatory pumps purchased by us: Smiths Medical, Inc.; Hospira Worldwide, Inc.; and WalkMed Infusion, LLC (formerly known as McKinley Medical, LLC). There are supply agreements in place with all of these suppliers. All major purchases are handled pursuant to pricing agreements, which contain no material terms other than prices that are subject to change by the manufacturer. Certain “spot” purchases are made on the open market subject to individual negotiation.

Seasonality

Our business is not subject to seasonality.

Environmental Laws

We are required to comply with applicable federal, state and local environmental laws regulating the disposal of cleaning agents used in the process of cleaning our ambulatory infusion pumps, as well as the disposal of sharps and blood products used in connection with the pumps. We do not believe that compliance with such laws has a material effect on our business.

Significant Customers

We have sought to establish contracts with as many third party payor organizations as commercially practicable, in an effort to ensure that reimbursement is not a significant obstacle for providers who recommend continuous infusion therapy and wish to utilize our services. A third party payor organization is a health care payor or a group of medical services payors that contracts to provide a wide variety of health care services to enrolled members through participating providers such as us. A payor is any entity that pays on behalf of a member patient.

We currently have contracts with more than 245 third party payor plans that cover approximately 222 million lives. Material terms of contracts with third party payor organizations are typically a set fee or rate, or discount from billed charges for equipment provided. The majority of these contracts generally provide for a term of one year, with automatic one-year renewals, unless we or the contracted payor do not wish to renew. Our largest contracted payor is Medicare, which accounted for approximately 31% of our gross billings for ambulatory infusion pump services for the year ended December 31, 2012. Our contracts with our next largest contracted payor in the aggregate accounted for approximately 18% of our gross billings for ambulatory infusion pump services for the year ended December 31, 2012. We also contract with various other third party payor organizations, commercial Medicare replacement plans, self-insured plans and numerous other insurance carriers. No individual payor, other than those listed above, accounts for greater than approximately 7% of our ambulatory infusion pump services gross billings.

On August 16, 2012, CMS announced the timetable for Competitive Bidding Round 1 Recompete ("RD1RC") RD1RC, which includes a new product category for external infusion pumps and supplies affecting nine Metropolitan Statistical Areas ("MSAs"). As of the current schedule, any changes in reimbursement associated with RD1RC will not become effective until calendar year 2014. We submitted our bid in December 2012. Our current revenue directly associated with CMS in these MSAs currently approximates 1% of our total annual revenues. By 2016, CMS is scheduled to fully implement some form of competitive bidding.

On October 14, 2012, a major group of third party payors revised their claim processing guidelines that affected all DME providers. Prior to the change, DME providers were allowed to submit claims to their "home plan" and the claims were processed in-network. Since the change in guidelines, DME providers are now required to submit their claims to the payor in the state where services were initiated. If the DME provider is not a participating provider with that specific payor, the claim is treated out-of-network and the patient will incur higher costs. Therefore, we must collect a higher portion of reimbursement directly from patients, which creates an increased collection risk. This major payor's association selected InfuSystem as a preferred provider, which will help us in securing contracts in areas currently out-of-network.

During the fourth quarter of 2012, a major group of third party payors revised their claim processing guidelines that affected all DME providers which pushed some of our claims from "in-network billed directly to a third-party payor" to "out-of-network billed directly to the patient" thereby increasing revenue based on the higher out-of-network rates. Conversely, collecting a higher portion of reimbursement directly from patients increases our bad debt expense in Selling, General and Administrative expenses.

Competitors

We believe that our competition is primarily composed of regional durable medical equipment ("DME") providers, hospital-owned DME providers, physician providers and home care infusion providers. An estimate of the number of competitors is not known or reasonably available, due to the wide variety in type and size of the market participants described below. We are not aware of any industry reports with respect to the competitive market described below. The description of market segments and business activities within those market segments is based on our experiences in the industry.

- Regional DME Providers: Regional DME providers act as distributors for a variety of medical products. We believe regional DME provider sales forces generally consist of a relatively small

number of salespeople, usually covering several states. Regional DME providers tend to carry a limited selection of infusion pumps and their salespeople generally have limited resources. Regional DME providers usually do not have 24x7 nursing services. We believe that regional DME providers have relatively few third party payor contracts, which may prevent these providers from being paid at acceptable levels and may also result in higher out-of-pocket costs for patients.

- Hospital-owned DME Providers: Many hospitals have in-house DME providers to supply basic equipment. In general, however, these providers have limited capital and tend to stock a small inventory of infusion pumps. We believe that hospital-owned providers have limited ability to grow because of limited patient populations. Growth from outside of the hospital may pose a challenge because hospitals typically will not provide referrals to competitors, instead preferring to offer patients a choice of non-hospital-affiliated DME providers.
- Physician Providers: A limited number of physicians maintain an inventory of their own infusion pumps and provide them to patients for a fee. However, we believe that pump utilization in this area tends to be low and the costs associated with ongoing supplies, preventative maintenance and repairs can be relatively high. Moreover, we believe that a high percentage of DME claims by doctors are rejected by payors upon first submission, requiring a physician's staff to spend significant time and effort to resubmit claims and receive payment for treatment. The numerous service and technical questions from patients may present another significant cost to a physician provider's staff.
- Home Care Infusion Providers: Home care infusion providers provide chemotherapy drugs and services to allow for in-home patient treatment. We believe that home care infusion treatment can be very costly and that many patients do not carry insurance coverage that covers home-based infusion services, resulting in larger out-of-pocket costs. Because home care treatments may take as long as six months, these costs can be high and can result in higher patient co-payments. We believe that home care providers may also be reluctant to offer 24x7 coverage or additional patient visits, due to capped fees.

Regulation of Our Business

Our business is subject to certain regulations. Specifically, as a Medicare supplier of DME and related supplies, we must comply with Supplier Standards established by CMS regulating Medicare suppliers of DME and prosthetics, orthotics and supplies ("DMEPOS"). The DMEPOS Supplier Standards consist of 30 requirements that must be met in order for a DMEPOS supplier to be eligible to receive payment for a Medicare-covered item. Some of the more significant DMEPOS Supplier Standards require us to (i) advise Medicare beneficiaries of their option to purchase certain equipment, (ii) honor all warranties under state law and not charge Medicare beneficiaries for the repair or replacement of equipment or for services covered under warranty, (iii) permit CMS agents to conduct on-site inspections to ascertain compliance with the DMEPOS Supplier Standards, (iv) maintain liability insurance in prescribed amounts, (v) refrain from contacting Medicare beneficiaries by telephone, except in certain limited circumstances, (vi) answer questions and respond to complaints of beneficiaries regarding the supplied equipment, (vii) disclose the DMEPOS Supplier Standards to each Medicare beneficiary to whom we supply equipment, (viii) maintain a complaint resolution procedure and record certain information regarding each complaint, (ix) maintain accreditation from a CMS approved accreditation organization and (x) meet the surety bond requirements specified in 42 C.F.R. 424.57.

We are also subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which are designed to protect the security and confidentiality of certain patient health information. Under HIPAA, we must provide patients access to certain records and must notify patients of our use of personal medical information and patient privacy rights. Moreover, HIPAA sets limits on how we may use individually identifiable health information and prohibits the use of patient information for marketing purposes. The adoption of the American Recovery and Reinvestment Act of 2009 ("ARRA") includes a new breach notification requirement that applies to breaches of unsecured health information occurring on or after September 23, 2009.

We are subject to regulation in the various states in which we operate. We believe we are in compliance with all such regulation.

The health care industry is undergoing fundamental changes resulting from political, economic and regulatory influences. In the U.S., comprehensive programs are under consideration that seek to, among other things, increase access to health care for the uninsured and control the escalation of health care expenditures within the economy. In 2010, federal legislation to reform the United States health care system was enacted into law. The legislation is far-reaching and is intended to expand access to health insurance coverage, improve quality and reduce costs over time. We expect the new law will impact various aspects of our business operations. However, it is unclear how the new law will impact reimbursement rates under the Medicare program. In addition, the new law imposes a 2.3% excise tax on medical devices scheduled to be implemented in 2013 that could apply to sales within the United States of a majority of our pump products that we purchase. Many of the details of the new law will be included in new and revised regulations, which have not yet been promulgated, and require additional guidance and specificity to be provided by the Department of Health and Human Services, Department of Labor and Department of the Treasury. Accordingly, while it is too early to understand and predict the ultimate impact of the new law on our business, the legislation could have a material effect on our business, cash flows, financial condition and results of operations.

Recent Events in Our Business

In February 2012, a concerned stockholder group ("Concerned Stockholder Group") requested a special stockholders' meeting (the "Special Meeting") as described in the Company's annual report on Form 10-K for the year ended December 31, 2011 ("2011 Form 10-K").

On April 24, 2012 we reached an agreement (the "Settlement Agreement") with the Concerned Stockholder Group, resulting in a series of changes to the Board and senior leadership. John Climaco, Charles Gillman, Ryan Morris, Dilip Singh and Joseph Whitters joined the Board, while Timothy Kopra, Pat LaVecchia, Sean McDevitt, Jean-Pierre Millon and John Voris ("Old Board Members") resigned as directors of the Company. In addition, Mr. Singh was appointed the Interim CEO, and Mr. Morris was appointed Executive Chairman. On February 9, 2013, the Board announced the approval of a waiver of the application of the standstill provisions provided in Section 2.2 of the Settlement Agreement to Meson Capital Partners LP, Meson Capital Partners LLC and Mr. Morris.

Concurrent with and as a condition of the Settlement Agreement, on April 24, 2012, Mr. McDevitt entered into a consulting agreement with the Company under which he resigned as CEO of the Company and agreed to serve as a consultant until July 31, 2012. Under the consulting agreement, Mr. McDevitt received a consulting fee of $1.0 million, paid in shares of the Company's common stock. Shares issued to Mr. McDevitt were issued from the Company's 2007 Stock Incentive Plan, as amended (the "2007 Plan"), valued at the average closing price of a share on the NYSE-MKT on the five trading days preceding the date of such issuance and totaled 500 thousand.

Per the terms of the consulting agreement, Mr. McDevitt's Share Award Agreement entered into on April 6, 2010 with the Company terminated, including the 2.0 million shares of common stock potentially issuable under such agreement. Approximately $6.0 million in unrecognized compensation expense associated with such shares will not be recognized by the Company in the future. As these shares were forfeited before the requisite service period for this award was rendered, previously recognized compensation expense of $1.3 million was reversed and recorded as a reduction of general and administrative expense during the three months ended June 30, 2012.

On November 30, 2012, the Company entered into a credit facility with Wells Fargo as Administrative Agent and PennantPark as Lenders replacing the Company's Credit Agreement, dated as of June 15, 2010, as amended, with Bank of America, N.A. as Administrative Agent and Keybank National Association as Lender. The facility consisted of a $12.0 million Term Loan A (provided by Wells Fargo), a $14.5 million Term Loan B (provided by PennantPark) and a $10.0 million revolving credit facility, all of which mature on November 30,

2016, collectively the ("Credit Facility"). Interest on the term loan is payable at the Company's choice of LIBOR plus 7.25% (with a LIBOR floor of 2.0%) or the Wells Fargo prime rate plus 6.25% (with a prime rate floor of 3.0%). As of December 31, 2012, interest was payable at LIBOR plus 7.25%, which equaled 9.25%. Proceeds from the term loan were used for general corporate purposes as well as to repay the outstanding balance of the Company's Bank of America credit agreement.

In addition, on January 3, 2013, the Company announced the appointment of Jan Skonieczny as Chief Operating Officer and the initiation of a search process for a permanent Chief Executive Officer ("CEO") to replace the Company's Interim CEO, Dilip Singh. As a result of that search, on March 14, 2013, the Company announced the Board had appointed Eric Steen, who has more than 30 years of medical device and pharmaceutical industry experience, as Chief Executive Officer, effective April 1, 2013. Dilip Singh, who has served as the Company's Interim CEO since April 2012, will step down from that position on the same date.

Available Information

Our Internet address is www.infusystem.com. On this Web site, we post the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the U.S. Securities and Exchange Commission (the "SEC"): our Annual Reports on Form 10-K; our Quarterly Reports on Form 10-Q; our Current Reports on Form 8-K; our proxy statements related to our annual stockholders' meetings; and any amendments to those reports or statements. All such filings are available on our Web site free of charge. The content on our Web site is not incorporated by reference into this Annual Report on Form 10-K unless expressly noted.

Item 1A. Risk Factors.

An investment in our securities involves a high degree of risk. You should consider carefully all of the material risks described below, together with the other information contained in this Annual Report on Form 10-K. If any of the following events occur, our business, financial condition, results of operations and cash flows may be materially adversely affected.

RISK FACTORS RELATING TO OUR BUSINESS AND THE INDUSTRY IN WHICH WE OPERATE

Our business is substantially dependent on third-party reimbursement. Any change in the overall health care reimbursement system may adversely impact our business.

Our revenues are substantially dependent on third-party reimbursement. We are paid directly by private insurers and governmental agencies, often on a fixed fee basis, for the use of continuous infusion equipment and related disposable supplies provided to patients. If the average fees allowable by private insurers or governmental agencies were reduced, the negative impact on revenues could have a material effect on our financial condition, results of operations and cash flows. Also, if amounts owed to us by patients and insurers are reduced or not paid on a timely basis, we may be required to increase our bad debt expense and/or decrease our revenues.

Changes in the health care reimbursement system often create financial incentives and disincentives that encourage or discourage the use of a particular type of product, therapy or clinical procedure. Market acceptance of continuous infusion therapy may be adversely affected by changes or trends within the health care reimbursement system. Changes to the health care reimbursement system that favor other technologies or treatment regimens that reduce reimbursements to providers or treatment facilities, including increasing competitive pressures from home health care and other companies that use our services, may adversely affect our ability to market our services profitably.

On August 16, 2012, the CMS announced the timetable for Competitive Bidding Round 1 Recompete ("RD1RC"), which includes a new product category for external infusion pumps and supplies affecting nine MSAs. As of the current schedule, any changes in reimbursement associated with RD1RC will not become effective until calendar year 2014. The Company submitted its bid in December 2012. The Company's revenue directly associated with CMS in these MSA's currently approximates 1% of the Company's total annual revenue. By 2016, CMS is scheduled to fully implement some form of competitive bidding. The impact of this and RD1RC is not easily identifiable, is unclear at this time, and could, among many factors, significantly reduce revenue, negatively impact the Company's market share and negatively impact business with the Company's customers and other payors.

Our business may be adversely impacted by the recent sequestration signed into law in the United States.

On March 1, 2013, most agencies of the federal government automatically reduced their budgets according to an agreement made by Congress in 2012 known as "sequestration". Originally devised as an incentive to force Congressional agreement on budget issues, the sequestration order was approved on March 1, 2013 by the President of the United States. In the absence of any bipartisan agreement in the government, these cuts will result in Medicare payments to health care providers, health care plans and drug plans being reduced by 2% starting April 1, 2013, according to CMS.

Concentration of customers may adversely impact our business.

A substantial portion of our contracted payor revenue has been dependent on one payor or a limited concentration of payors. In particular, Medicare represented approximately 31% of our gross billings for ambulatory infusion pump services for the year ended December 31, 2012 and accounted for 10% our consolidated accounts receivable at December 31, 2012. To the extent such dependency continues, significant fluctuations in revenues, results of operations and liquidity could arise if Medicare or any other significant contracted payor reduces its reimbursement for the services we provide.

On October 14, 2012, a major group of third party payors revised their claim processing guidelines that affected all DME providers. Prior to the change, DME providers were allowed to submit claims to their "home plan" and the claims were processed in-network. Since the change in guidelines, DME providers are now required to submit their claims to the payor in the state where services were initiated. If the DME provider is not a participating provider with that specific payor, the claim is treated out-of-network and the patient will incur higher costs. Therefore, InfuSystem must collect a higher portion of reimbursement directly from patients which creates an increased collection risk. This major payor's association selected InfuSystem as a preferred provider, which will help InfuSystem in securing contracts in areas currently out-of-network.

Increased focus on early detection and diagnostics may adversely affect our business.

An increased focus on lowering health care spending via improved diagnostic testing (i.e., defensive medicine) and patient monitoring could negatively affect our business. A large portion of our ambulatory infusion pumps are dedicated to a specific form of cancer (i.e., colorectal). As a result of rising health care costs, there may be a demand for more cost-effective approaches to disease management, specifically for colorectal cancer, as well as for emphasis on screening and accurate diagnostic testing to facilitate early detection of potentially costly, severe afflictions. Any change in the approach to treatment of colorectal cancer could have an adverse impact on our revenue.

If future clinical studies demonstrate that oral medications are as effective as or more effective than continuous infusion therapy, our business could be adversely affected.

Numerous clinical trials are currently ongoing, evaluating and comparing the therapeutic benefits of current continuous infusion-based regimens with various oral medication regimens. If these clinical trials demonstrate that oral medications provide equal or greater therapeutic benefits and/or demonstrate reduced side effects compared to prior oral medication regimens, our revenues and overall business could be materially and adversely affected. Additionally, if new oral medications are introduced to the market that are superior to existing oral therapies, physicians' willingness to prescribe continuous infusion-based regimens could decline, which would adversely affect our financial condition, results of operations and cash flows.

We are dependent on our Medicare Supplier Number.

We are required to have a Medicare Supplier Number in order to bill Medicare for services provided to Medicare patients. Furthermore, all third party and Medicaid contracts require us to have a Medicare Supplier Number. In addition, we are required to comply with Medicare Supplier Standards in order to maintain such number. If we are unable to comply with the relevant standards, we could lose our Medicare Supplier Number. The loss of such identification number for any reason would prevent us from billing Medicare for patients who rely on Medicare to pay their medical expenses and, as a result, we would experience a decrease in our revenues. Without such a number, we would be unable to continue our various third party and Medicaid contracts. A significant portion of our revenue is dependent upon our Medicare Supplier Number.

The CMS issued a ruling that all DME providers must be accredited by a recognized accrediting entity. On February 17, 2009, we initially received accreditation from the Community Health Accreditation Program ("CHAP"), and we were recertified in February 2013, thus meeting this CMS requirement. If we lost our accredited status, our financial condition, revenues and results of operations would be materially and adversely affected.

Our success is impacted by the availability of the chemotherapy drugs that are used in our continuous infusion pump systems.

We primarily derive our revenue from the rental of ambulatory infusion pumps to oncology patients through physicians' offices and chemotherapy clinics. A shortage in the availability of chemotherapy drugs that are used in the continuous infusion pump system could have a material effect on our financial condition, results of operations and cash flows.

Global financial conditions may negatively impact our business, results of operations, financial condition and/or liquidity.

The recent global financial crisis affecting the banking system and financial markets, as well as the uncertainty in global economic conditions, have resulted in a significant tightening of credit markets, a low level of liquidity in financial markets and reduced corporate profits and capital spending. As a result, our customers (i.e., patients and payors) may face issues gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. In addition, the current global financial crisis could also adversely impact our suppliers' ability to provide us with materials and components, either of which may negatively impact our financial condition, results of operations and cash flows. The financial crisis could also adversely impact our ability to access the financial markets.

Although we maintain allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments and such losses have historically been within our expectations and the provisions established, we cannot guarantee that we will continue to experience the same loss rates that we have in the past, especially given the current turmoil of the worldwide economy.

State licensure laws for DME suppliers are subject to change. If we fail to comply with any state laws, we will be unable to operate as a DME supplier in such state and our business operations will be adversely affected.

As a DME supplier operating in all 50 states of the United States, we are subject to each state's licensure laws regulating DME suppliers. State licensure laws for DME suppliers are subject to change and we must ensure that we are continually in compliance with the laws of all 50 states. In the event that we fail to comply with any state's laws governing the licensing of DME suppliers, we will be unable to operate as a DME supplier in such state until we regain compliance. We may also be subject to certain fines and/or penalties and our business operations could be adversely affected.

Our growth strategy includes expanding into treatment for cancers other than colorectal. There can be no assurance that continuous infusion-based regimens for these other cancers will become standards of care for large numbers of patients or that we will be successful in penetrating these different markets.

An aspect of our growth strategy is to expand into the treatment of other cancers, such as head, neck and gastric. Currently, relatively small percentages of these patients are treated with regimens that include continuous infusion therapy. That population will expand only if clinical trial results for new drugs and new combinations of drugs demonstrate superior outcomes for regimens that include continuous infusion therapy relative to alternatives. No assurances can be given that these new drugs and drug combinations will be approved or will prove superior to oral medication or other treatment alternatives. In addition, no assurances can be given that we will be able to penetrate successfully any new markets that may develop in the future or manage the growth in additional resources that would be required.

Our business may be subject to natural forces beyond our control.

Natural disasters, including hurricanes, earthquakes, floods and other unfavorable weather conditions, may affect our operations. Natural catastrophes may have a detrimental effect on our gross billings, preventing many patients from visiting a facility to obtain our ambulatory infusion pumps or receive treatment. Similarly, such events could impact key suppliers or vendors, disrupting the services or materials they provide us. The severity of these occurrences, should they ever occur, will determine the extent to which and if our business is materially and adversely affected.

The industry in which we operate is intensely competitive and changes rapidly. If we are unable to successfully compete with our competitors, our business operations may suffer.

The drug infusion industry is highly competitive. Some of our competitors and potential competitors have significantly greater resources than we do for research and development, marketing and sales. As a result, they may be better able to compete for market share, even in areas in which our services may be superior. The

industry is subject to technological changes and such changes may put our current fleet of pumps at a competitive disadvantage. If we are unable to effectively compete in our market, our financial condition, results of operations and cash flows may materially suffer.

Our industry is dependent on regulatory guidelines that affect our billing practices. If our competitors do not comply with these regulatory guidelines, our business could be adversely affected.

Aggressive competitors may not fully comply with rules pertaining to documentation required by CMS and other payors for patient billing. Competitors who do not meet the same standards of compliance that we do with regards to billing regulations can, put us at a potential competitive disadvantage. We are a participating provider with Medicare and under contract with approximately 245 additional insurance plans, all of which have very stringent guidelines. If our competitors do not comply with these regulatory guidelines, our business could be adversely affected.

We rely on independent suppliers for our products. Any delay or disruption in the supply of products, particularly our supply of electronic ambulatory pumps, may negatively impact our operations.

Our infusion pumps are obtained from outside vendors. The majority of our new pumps are electronic ambulatory infusion pumps which are supplied to us by three major suppliers: Smiths Medical, Inc.; Hospira Worldwide, Inc.; and WalkMed Infusion, LLC (formerly known as McKinley Medical, LLC). The loss or disruption of our relationships with outside vendors could subject us to substantial delays in the delivery of pumps to customers. Significant delays in the delivery of pumps could result in possible cancellation of orders and the loss of customers. Our inability to provide pumps to meet delivery schedules could have a material adverse effect on our reputation in the industry, as well as our financial condition, results of operations and cash flows.

Although we do not manufacture the products we distribute, if one of the products distributed by us proves to be defective or is misused by a health care practitioner or patient, we may be subject to liability that could adversely affect our financial condition and results of operations.

Although we do not manufacture the pumps that we distribute, a defect in the design or manufacture of a pump distributed by us, or a failure of pumps distributed by us to perform for the use specified, could have a material effect on our reputation in the industry and subject us to claims of liability for injuries and otherwise. Misuse of the pumps distributed by us by a practitioner or patient that results in injury could similarly subject us to liability. Any substantial underinsured loss could have a material effect on our financial condition, results of operations and cash flows. Furthermore, any impairment of our reputation could have a material effect on our revenues and prospects for future business.

Unexpected costs or delays in integrating acquisitions could adversely affect our financial results.

We may make acquisitions going forward. As a result, we must devote significant management attention and resources to integrating the business practices and operations. We may encounter difficulties that could harm the businesses, adversely affect our financial condition and cause our stock price to decline, including the following:

- We may have difficulty or experience delays in integrating the business and operations;
- We may have difficulty maintaining employee morale and retaining key managers and other employees as we take steps to combine the personnel and business cultures of separate organizations into one and to eliminate duplicate positions and functions; and
- We may have difficulty preserving important relationships with others, such as strategic partners, customers, and suppliers, who may delay or defer decisions on agreements with us, or seek to change existing agreements with us, because of the acquisition.

The integration process may divert the attention of our officers and management from day-to-day operations and disrupt our business, particularly if we encounter these types of difficulties. The failure of the combined company to meet the challenges involved in the integration process could cause an interruption of or a loss of momentum in the activities of the combined company and could seriously harm our results of operations.

Even if the operations are integrated successfully, the combined company may not fully realize the expected benefits of the transaction, including the synergies, cost savings or growth opportunities, whether within the anticipated time frame, or anytime in the future.

We intend to continue to pursue opportunities for the further expansion of our business through strategic alliances, joint ventures and/or acquisitions. Future strategic alliances, joint ventures and/or acquisitions may require significant resources and/or result in significant unanticipated costs or liabilities to us.

We intend to continue to pursue opportunities for the further expansion of our business through strategic alliances, joint ventures and/or acquisitions. Any future strategic alliances, joint ventures or acquisitions will depend on our ability to identify suitable partners or acquisition candidates, as the case may be, negotiate acceptable terms for such transactions and obtain financing, if necessary. We also face competition for suitable acquisition candidates which may increase our costs. Acquisitions or other investments require significant managerial attention, which may be diverted from our other operations. Any future acquisitions of businesses could also expose us to unanticipated liabilities.

If we engage in strategic acquisitions, we may experience significant costs and difficulty in assimilating operations or personnel, which could threaten our future growth.

If we make any acquisitions, we could have difficulty assimilating operations, technologies and products or integrating or retaining personnel of acquired companies. In addition, acquisitions may involve entering markets in which we have no or limited direct prior experience. The occurrence of any one or more of these factors could disrupt our ongoing business, distract our management and employees and increase our expenses. In addition, pursuing acquisition opportunities could divert our management's attention from our ongoing business operations and result in decreased operating performance. Moreover, our profitability may suffer because of acquisition-related costs or amortization of intangible assets. Furthermore, we may have to incur debt or issue equity securities in future acquisitions. The issuance of equity securities would dilute our existing stockholders.

The impact of United States health care reform legislation on us remains uncertain.

In 2010, federal legislation to reform the United States health care system was enacted into law. The legislation is far-reaching and is intended to expand access to health insurance coverage, improve quality and reduce costs over time. We expect the new law will have a significant impact upon various aspects of our business operations. However, it is unclear how the new law will impact patient access to new technologies or reimbursement rates under the Medicare program. In addition, the new law imposes a 2.3% excise tax on medical devices scheduled to be implemented in 2013. Many of the details of the new law will be included in new and revised regulations, which have not yet been promulgated, and require additional guidance and specificity to be provided by the Department of Health and Human Services, Department of Labor and Department of the Treasury. Accordingly, while it is too early to understand and predict the ultimate impact of the new law on our business, the legislation could have a material effect on our business, cash flows, financial condition and results of operations.

We may be unable to maintain adequate working relationships with health care professionals.

We seek to maintain close working relationships with respected physicians and medical personnel in hospitals and universities who assist in product research and development. We rely on these professionals to assist us in the development of proprietary products and product improvements to complement and expand our existing product lines. If we are unable to maintain these relationships, our ability to develop, market and sell new and improved products could decrease and future operating results could be unfavorably affected.

If we fail to comply with applicable health care regulations, we could face substantial penalties and our business, operations and financial condition could be adversely affected.

Certain federal and state health care laws and regulations pertaining to fraud and abuse and patients' rights may be applicable to our business. We may be subject to health care fraud and abuse regulation and patient privacy regulation by both the federal government and the states in which we conduct our business. The laws that may affect our ability to operate include:

- The federal health care program Anti-Kickback Statute, which prohibits, among other things, soliciting, receiving or providing remuneration, directly or indirectly, to induce (i) the referral of an individual, for an item or service, or (ii) the purchasing or ordering of a good or service, for which payment may be made under federal health care programs such as the Medicare and Medicaid programs;
- Federal false claims laws which prohibit, among other things, knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payors that are false or fraudulent, and which may apply to entities like us that promote medical devices, provide medical device management services and may provide coding and billing advice to customers;
- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which prohibits executing a scheme to defraud any health care benefit program or making false statements relating to health care matters and which also imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information; and
- State law equivalents of each of the above federal laws, such as anti-kickback and false claims laws that may apply to items or services reimbursed by any third-party payor, including commercial insurers, and state laws governing the privacy and security of health information in certain circumstances, many of which differ in significant ways from state to state and often are not preempted by HIPAA, thus complicating compliance efforts.

Additionally, the compliance environment is changing, with more states, such as California and Massachusetts, mandating implementation of compliance programs, compliance with industry ethics codes, and spending limits, and other states, such as Vermont, Maine, and Minnesota, requiring reporting to state governments of gifts, compensation and other remuneration to physicians. Federal legislation, the Physician Payments Sunshine Act ("PPSA"), was signed into law on March 23, 2010. The PPSA requires manufacturers of drug, device, biologics, and medical supplies covered under Medicare, Medicaid, or State Children's Health Insurance Program ("SCHIP") to report payments made to physicians on an annual basis to the department of Health and Human Services ("HHS"). HHS in turn will post this information on a public website. These laws all provide for penalties for non-compliance. The shifting regulatory environment, along with the requirement to comply with multiple jurisdictions with different compliance and reporting requirements, increases the possibility that a company may run afoul of one or more laws.

If our operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines and the curtailment or restructuring of our operations. Any penalties, damages, fines, curtailment or restructuring of our operations could adversely affect our ability to operate our business and our financial results. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. Moreover, achieving and sustaining compliance with applicable federal and state privacy, security and fraud laws may prove costly.

If we do not respond to technological changes or upgrade our website and technology systems, our growth prospects and results of operations could be adversely affected.

To remain competitive, we must continue to enhance and improve the functionality and features of our website in addition to our infrastructure. Although we currently do not have specific plans for any infrastructure upgrades that would require significant capital investment outside of the normal course of business, in the future

we will need to improve and upgrade our technology, database systems and network infrastructure in order to allow our business to grow in both size and scope. Without such improvements, our operations might suffer from unanticipated system disruptions, slow application performance or unreliable service levels, any of which could negatively affect our reputation and ability to attract and retain customers and contributors. Furthermore, in order to continue to attract and retain new customers, we are likely to incur expenses in connection with continuously updating and improving our user interface and experience. We may face significant delays in introducing new services, products and enhancements. If competitors introduce new products and services using new technologies or if new industry standards and practices emerge, our existing websites and our proprietary technology and systems may become obsolete or less competitive, and our business may be harmed. In addition, the expansion and improvement of our systems and infrastructure may require us to commit substantial financial, operational and technical resources, with no assurance that our business will improve.

Technological interruptions that impair access to our website or the efficiency of our marketplace would damage our reputation and brand and adversely affect our results of operations.

The satisfactory performance, reliability and availability of our website and our network infrastructure are critical to our reputation, our ability to attract and retain customers and our ability to maintain adequate customer service levels. Any system interruptions that result in the unavailability of our website could result in negative publicity, damage our reputation and brand or adversely affect our results of operations. We may experience temporary system interruptions for a variety of reasons, including security breaches and other security incidents, viruses, telecommunication and other network failures, power failures, software errors, data corruption or an overwhelming number of visitors trying to reach our websites during periods of strong demand. We rely upon third-party service providers, such as co-location and cloud service providers, for our data centers and application hosting, and we are dependent on these third parties to provide continuous power, cooling, internet connectivity and physical security for our servers. In the event that these third-party providers experience any interruption in operations or cease business for any reason, or if we are unable to agree on satisfactory terms for continued hosting relationships, our business could be harmed and we could be forced to enter into a relationship with other service providers or assume hosting responsibilities ourselves. Although we operate two data centers in an active/standby configuration for geographic and vendor redundancy and even though we maintain a third disaster recovery facility to back up our content collection, a system disruption at the active data center could result in a noticeable disruption to our websites until all website traffic is redirected to the standby data center. Even a disruption as brief as a few minutes could have a negative impact on marketplace activities and could therefore result in a loss of revenue. Because some of the causes of system interruptions may be outside of our control, we may not be able to remedy such interruptions in a timely manner, or at all.

Failure to protect our intellectual property could substantially harm our business and operating results.

In order to protect our trade secrets and other confidential information, we rely in part on confidentiality agreements with our employees, consultants and third parties with whom we have relationships. These agreements may not effectively prevent disclosure of trade secrets and other confidential information and may not provide an adequate remedy in the event of misappropriation of trade secrets or any unauthorized disclosure of trade secrets and other confidential information. In addition, others may independently discover our trade secrets and confidential information, and in such cases we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce or determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions. Failure to obtain or maintain trade secret protection, or our competitors' acquisition of our trade secrets or independent development of unpatented technology similar to ours or competing technologies, could adversely affect our competitive business position.

We are dependent upon executive officers and other key personnel — The loss of any of our executive officers or other key personnel could reduce our ability to manage our businesses and achieve our business plan, which could cause our sales to decline and our operating results and cash flows to suffer

Our success is substantially dependent on the continued services of our executive officers and other key personnel who generally have extensive experience in our industry. Our future success also will depend in large part upon our ability to identify, attract and retain other highly qualified executive officers, managerial, finance, technical and sales and marketing personnel. Competition for these individuals is intense. The loss of the services of any executive officer or other key employees, or our failure to attract and retain other qualified and experienced personnel on acceptable terms, could have a material effect on our business and results of operations.

Covenants in our debt agreement restrict our business.

The credit agreement that governs our Credit Facility contains, and the agreements that govern our future indebtedness may contain, covenants that restrict our ability to and the ability of our subsidiaries to, among other things:

- Change of control, as defined by the agreement governing the Credit Facility.
- Create, incur, assume or suffer to exist any lien upon any of our property, assets or revenues;
- Make certain investments or acquisitions;
- Create, incur, assume or suffer to exist any indebtedness;
- Merge, dissolve, liquidate, consolidate or sell all or substantially all of our assets;
- Make any disposition or enter into any agreement to make any disposition; and
- Declare or make, directly or indirectly, any dividend or other restricted payment, or incur any obligation (contingent or otherwise) to do so.

RISK FACTORS RELATING SPECIFICALLY TO OUR COMMON STOCK

The market price of our common stock has been, and is likely to remain, volatile and may decline in value.

The market price of our common stock has been and is likely to continue to be volatile. Market prices for securities of health care services companies, including ours, have historically been volatile, and the market has from time to time experienced significant price and volume fluctuations that appear unrelated to the operating performance of particular companies. The following factors, among others, can have a significant effect on the market price of our securities:

- Announcements of technological innovations, new products, or clinical studies by others;
- Government regulation;
- Changes in the coverage or reimbursement rates of private insurers and governmental agencies;
- Announcements regarding new products or services or strategic alliances or acquisitions;
- Developments in patent or other proprietary rights;
- The liquidity of the market for our common stock;
- Changes in health care policies in the United States or globally;
- Global financial conditions; and
- Comments by securities analysts and general market conditions.

The realization of any risks described in these “Risk Factors” could also have a negative effect on the market price of our common stock.

We do not pay dividends and this may negatively affect the price of our stock.

Under the terms of our credit agreement with Wells Fargo and PennantPark, our ability to pay dividends on our common stock is limited and we do not anticipate paying dividends on our common stock in the foreseeable future. The future price of our common stock may be adversely impacted because we do not pay dividends.

Future sales of our common stock may depress our stock price.

The market price of our common stock could decline as a result of sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur. In addition to the shares of our common stock currently available for sale in the public market, shares of our common stock sold in past private placements (which include shares held by certain members of our Board of Directors) may be sold in the public market. These factors could also make it more difficult for us to raise funds through future equity offerings.

Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

If an ownership change occurs, the Company may be limited in its ability to use its deferred tax assets and may have to record a valuation allowance against such assets. There is an ownership change if, immediately after any owner shift involving a 5-percent shareholder or any equity structure shift, the percentage of the stock of the corporation owned by 1 or more 5-percent shareholders has increased by more than 50 percentage points, over the lowest percentage of stock of the corporation (or any predecessor corporation) owned by such shareholders at any time during the testing period. For purposes of the preceding sentence, the term "50-percent shareholder" means any person owning 50 percent or more of the stock of the corporation at any time during the 3-year period ending on the last day of the taxable year with respect to which the stock was so treated.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We do not own any real property. We lease office and warehouse space at the following locations:

City	State/Country
Madison Heights	Michigan
New York	New York
Bennington	Vermont
Olathe	Kansas
League City	Texas
Santa Fe Springs	California
Mississauga	Ontario, Canada

We believe that such office and warehouse space is suitable and adequate for our business.

Item 3. Legal Proceedings.

We are involved in legal proceedings arising out of the ordinary course and conduct of our business, the outcomes of which are not determinable at this time. We have insurance policies covering such potential losses where such coverage is cost effective. In our opinion, any liability that might be incurred by us upon the resolution of these claims and lawsuits will not, in the aggregate, have a material effect on our financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is currently traded on the NYSE-MKT under the symbol INFU. On April 11, 2011, 8.3 million outstanding publicly held warrants and 1.1 million privately held warrants expired in accordance with their terms and consequently the Company recorded a gain of $0.1 million.

See Note 7 in the Notes to the Consolidated Financial Statements for additional information on the expired warrants. The following tables set forth, for the calendar quarter indicated, the quarterly high and low bid information of our common stock, units and warrants, respectively, as reported on the NYSE-MKT or the OTC Bulletin Board, as applicable. The quotations listed below reflect interdealer prices, without retail markup, markdown or commission and may not necessarily represent actual transactions.

Common Stock

Quarter ended	High	Low
December 31, 2012	$1.88	$1.38
September 30, 2012	$2.09	$1.54
June 30, 2012	$2.51	$1.70
March 31, 2012	$2.30	$1.61
December 31, 2011	$1.99	$0.90
September 30, 2011	$2.16	$0.75
June 30, 2011	$2.85	$2.10
March 31, 2011	$3.11	$2.20

Holders of Common Equity

As of March 15, 2013, we had approximately 400 stockholders of record of our common stock. This does not include beneficial owners of our common stock, including Cede & Co., nominee of the Depository Trust Company.

Dividends

We have not paid any dividends on our common stock to date. The payment of dividends in the future will be contingent upon our revenues and earnings, if any, capital requirements and general financial condition. Under the terms of our Credit Facility, we are limited in our ability to pay dividends. It is the present intention of our Board of Directors to retain all earnings, if any, for use in our business operations and, accordingly, our Board of Directors does not anticipate declaring any dividends in the foreseeable future.

Equity Compensation Plan Information

The following table provides information as of December 31, 2012 with respect to compensation plans, including individual compensation arrangements, under which our equity securities are authorized for issuance (in thousands):

Plan Category:	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders (1)	939	436
Equity compensation plans not approved by security holders (2)	38	—
Total	977	436

(1) This amount includes 0.5 million shares of common stock issuable upon the vesting of certain time restricted stock awards (the "Restricted Stock Awards") and 0.4 million shares of common stock issuable upon the exercise of vested stock option awards.
(2) This amount includes less than 0.1 million shares of common stock issuable upon the vesting of certain restricted stock awards granted outside of the Plan during the year ended December 31, 2010.

Stock Performance Graph

InfuSystem Holding, Inc. is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Recent Sales of Unregistered Securities

None.

Repurchases of Equity Securities

As previously announced, in October 2010, our Board of Directors has authorized a share repurchase program of up to $2.0 million of our outstanding common shares. The repurchase program will be funded by our available cash balance. This program was concluded in 2011.

Stock repurchases may be made through open market transactions, negotiated purchases or otherwise, at times and in such amounts as our management deems to be appropriate. The timing and actual number of shares repurchased will depend on a variety of factors, including price, financing and regulatory requirements, as well as other market conditions. The program does not require us to repurchase any specific number of shares or to complete the program within a specific period of time.

For the year ended December 31, 2012, there were no purchases of common stock shares. The following table provides information about our purchases of common stock during the year ended December 31, 2011.

(period)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
		(In thousands, except Average Price per Share)		
January 1, 2011 — March 31, 2011	78	$ 2.77	78	$ 1,671
April 1, 2011 — June 30, 2011	9	2.20	9	1,642
July 1, 2011 — September 30, 2011	65	1.46	65	1,547
October 1, 2011 — December 31, 2011	—	—	—	1,547
Total for 2011	152	$ 2.18	152	$ 1,547

Item 6. Selected Financial Data.

InfuSystem Holding, Inc. is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

We are a leading provider of infusion pumps and related services in the United States. We service hospitals, oncology practices and other alternate site health care providers. Headquartered in Madison Heights, Michigan, we deliver local, field-based customer support, and also operate Centers of Excellence in Michigan, Kansas, California, and Ontario, Canada.

We supply electronic ambulatory infusion pumps and associated disposable supply kits to oncology practices, infusion clinics and hospital outpatient chemotherapy clinics. These pumps and supplies are utilized primarily by colorectal cancer patients who receive a standard of care treatment that utilizes continuous chemotherapy infusions delivered via electronic ambulatory infusion pumps. We obtain an assignment of insurance benefits from the patient, bill the insurance company or patient accordingly and collect payment. We provide pump management services for the pumps and associated disposable supply kits to approximately 1,600 oncology clinics in the United States and retain title to the pumps during this process.

We sell or rent new and pre-owned pole mounted and ambulatory infusion pumps to, and provide biomedical recertification, maintenance and repair services for, oncology practices as well as other alternate site settings including home care and home infusion providers, skilled nursing facilities, pain centers and others.

Additionally we sell, rent, service and repair new and pre-owned infusion pumps and other medical equipment. We also sell a variety of primary and secondary tubing, cassettes, catheters and other disposable items that are utilized with infusion pumps.

In February 2012, a Concerned Stockholder Group requested a Special Meeting as described in the 2011 Form 10-K. If the Special Meeting had resulted in a change in the majority of our Board under the terms of the Company's credit facility with Bank of America, N.A. and KeyBank National Association (the "Lenders"), a change in the majority of the Board would have constituted a change in control and an event of default, which would have allowed the Lenders to cause the debt to be immediately due and payable. This possibility of a change in the majority representation of the Board and consequent event of default under the credit facility,
which would have allowed the Lenders to cause the debt of $24.0 million as of December 31, 2011 to become immediately due and payable, raised substantial doubt about the Company's ability to continue as a going

concern. The 2011 consolidated financial statements did not include any adjustments, if any, that would have resulted from the outcome of this uncertainty. As further described herein, although a change in the board composition took place during the second quarter of 2012, the Company negotiated an amendment to its credit agreement to exclude this change of board members from its definition of an event of default and the Special Meeting was cancelled.

On April 24, 2012 we reached the Settlement Agreement with the Concerned Stockholder Group, resulting in a series of changes to the Board and senior leadership. In accordance with Section 141(b) of the Delaware General Corporation Law ("DGCL") and Section 2.2 of the Company's amended and restated bylaws, the total number of authorized directors on the Board was increased from seven (7) to twelve (12). These newly created vacancies were filled by John Climaco, Charles Gillman, Ryan Morris, Dilip Singh and Joseph Whitters. Timothy Kopra, Pat LaVecchia, Sean McDevitt, Jean-Pierre Millon and John Voris ("Old Board Members") resigned as directors of the Company. As a result of the above, in accordance with Section 141(b) of the DGCL and Section 2.2 of the Bylaws, the total number of authorized directors on the Board was decreased from twelve (12) to seven (7) to be effective following the resignations of the Old Board Members. In addition, Mr. McDevitt, the Company's then CEO resigned to pursue other interests and was replaced with Mr. Singh on an interim basis. Mr. Morris was appointed Executive Chairman. On February 9, 2013, the Board announced the approval of the waiver of the application of the standstill provisions provided in Section 2.2 of the Settlement Agreement to Meson Capital Partners LP, Meson Capital Partners LLC and Mr. Morris.

Concurrent with and as a condition of the Settlement Agreement, on April 24, 2012, Mr. McDevitt entered into a consulting agreement with the Company under which he resigned as CEO of the Company and agreed to serve as a consultant until July 31, 2012. Under the consulting agreement, Mr. McDevitt received a consulting fee of $1.0 million, paid in shares of the Company's common stock. Shares issued to Mr. McDevitt were issued from the Company's 2007 Stock Incentive Plan, as amended, valued at the average closing price of a share on the NYSE-MKT on the five trading days preceding the date of such issuance and totaled 0.5 million.

Per the terms of the consulting agreement, Mr. McDevitt's Share Award Agreement entered into on April 6, 2010 with the Company terminated, including the 2.0 million shares of common stock potentially issuable under such agreement. Approximately $6.0 million in unrecognized compensation expense associated with such shares will not be recognized by the Company in the future. As these shares were forfeited before the requisite service period for this award was rendered, previously recognized compensation expense of $1.3 million was reversed and recorded as a reduction of general and administrative expense during the three months ended June 30, 2012.

On November 30, 2012, the Company entered into a credit facility with Wells Fargo as Administrative Agent and PennantPark as Lenders, replacing the Company's Credit Agreement, dated as of June 15, 2010, as amended, with Bank of America, N.A. as Administrative Agent and Keybank National Association as Lender. The facility consisted of a $12.0 million Term Loan A (provided by Wells Fargo), a $14.5 million Term Loan B (provided by PennantPark) and a $10.0 million revolving credit facility, all of which mature on November 30, 2016, collectively the ("Credit Facility"). Interest on the term loan is payable at the Company's choice of LIBOR plus 7.25% (with a LIBOR floor of 2.0%) or the Wells Fargo prime rate plus 6.25% (with a prime rate floor of 3.0%). As of December 31, 2012, interest was payable at LIBOR plus 7.25%, which equaled 9.25%. Proceeds from the term loan were used for general corporate purposes as well as to repay the outstanding balance of the Company's Bank of America credit agreement.

During fiscal 2012, the Company's Board of Director's explored and evaluated potential strategic alternatives as previously disclosed on March 15, 2012, including a potential sale of the Company or debt refinancing. As a result of these actions, the Company incurred costs of $0.6 million, specifically relating to professional fees and other fees and expenses. On January 3, 2013, the Company announced that the Company's Board had formally ended its considerations of potential strategic alternatives initiated in March 2012. These costs are included within the General and Administrative line in our Consolidated Statement of Operations.

In addition, on January 3, 2013, the Company announced the appointment of Jan Skonieczny as Chief Operating Officer and the initiation of a search process for a permanent Chief Executive Officer ("CEO") to replace the Company's Interim CEO, Dilip Singh. As a result of that search, on March 14, 2013, the Company announced its Board of Directors had appointed Eric Steen, who has more than 30 years of medical device and pharmaceutical industry experience, as Chief Executive Officer, effective April 1, 2013. Dilip Singh, who has served as the Company's Interim CEO since April 2012, will step down from that position on the same date.

InfuSystem Holdings, Inc. Results of Operations for the Year ended December 31, 2012 compared to the Year ended December 31, 2011

Revenues

Our revenue for the year ended December 31, 2012 was $58.8 million, an 8% increase compared to $54.6 million for the year ended December 31, 2011, primarily in rental revenues. The increase in revenues is primarily related to the addition of larger customers, increased penetration into our existing customer accounts and the resolution of the oncology drug shortage affecting certain products which was having a negative effect on new patient start on pumps.

During the fourth quarter of 2012, a major group of third party payors revised their claim processing guidelines that affected all DME providers which pushed some of our claims from "in-network billed directly to a third-party payor" to "out-of-network billed directly to the patient" thereby increasing revenue based on the higher out-of-network rates. Conversely, collecting a higher portion of reimbursement directly from patients increases our bad debt expense in Selling, General and Administrative expenses.

Gross Profit

Gross profit for the year ended December 31, 2012 was $42.9 million, an increase of 21% compared to $35.4 million in the prior year. It represented 73% of revenues in the current year compared to 65% in the prior year. The increase in the gross margin as a percentage of revenue in 2012 was primarily related to the aforementioned increase in rental revenue, specifically third party billings, which generally have a higher gross profit margin.

Provision for Doubtful Accounts

Provision for doubtful accounts for the year ended December 31, 2012 was $5.3 million, compared to $4.1 million for the year ended December 31, 2011. It represented 9% of revenues in the current year compared to 8% in the prior year. The increase, as a percentage of revenues is primarily the result of the aforementioned recent changes by a major third party payor of their in-network process, which resulted in an additional write-off of approximately $1.0 million in the three months ended December 31, 2012.

Amortization of Intangible Assets

Amortization of intangible assets for the year ended December 31, 2012 was $2.7 million, which was consistent with the prior year end 2011.

Selling and Marketing Expenses

For the year ended December 31, 2012, our selling and marketing expenses were $9.9 million compared to $9.4 million for the year ended December 31, 2011. The increase in selling and marketing expenses is primarily related to expenses incurred by the increase in associated revenues as well as increased retention and travel costs in the sales and marketing departments. As compared to the prior year, these expenses remained consistent at 17% of revenues. Selling and marketing expenses during these periods consisted of sales salaries, commissions and associated fringe benefit and payroll-related items, marketing, share-based compensation, travel and entertainment and other miscellaneous expenses.

General and Administrative Expenses

During the year ended December 31, 2012, our general and administrative expenses were $23.1 million, compared to $18.0 million for the year ended December 31, 2011. General and administrative expenses during these periods consisted primarily of administrative personnel salaries, fringe benefits and payroll-related items, professional fees, legal fees, share-based compensation, insurance and other miscellaneous expenses. General and administrative expenses have increased from 33% to 39% of revenues for the year ended December 31, 2012 compared to the same period in the prior year. The increase was primarily related to an increase in professional service costs related to the Concerned Stockholder Group as described in Note 2 to the Consolidated Financial Statements and as described above. Additional legal, accounting and outside service fees of $2.2 million were incurred during the year relating to this matter and the Fifth Amendment to the Credit Facility, severance payments for the former CEO amounted to $1.0 million; $0.6 million was recorded for retention payments to key employees during this ongoing matter, and we incurred $0.6 million associated with our decision to evaluate potential strategic alternatives. Additional increases were mainly attributed to the aforementioned increase in finance and accounting staff and several other general and administrative accounts. These costs were partially offset by the reversal of previously recognized stock compensation expense of $1.4 million, for which the requisite service was not rendered.

Other Income and Expenses

During the year ended December 31, 2012, we recorded no gain or loss on derivatives compared to a gain of $0.1 million during the year ended December 31, 2011. Included in the year ended December 31, 2011 was the gain from the expiration on April 11, 2011 of all outstanding warrants to purchase common stock. For more information, refer to the discussion under “Summary of Significant Accounting Policies — Warrants and Derivative Financial Instruments” included in Note 2 and “Warrants and Derivative Financial Instruments” included in Note 7 to our Consolidated Financial Statements included in this Annual Report on Form 10-K.

During the year ended December 31, 2012, we recorded interest expense of $3.3 million, compared to $2.2 million for the year ended December 31, 2011. These increased amounts are mainly attributed to the payment of a monthly ticking fee equal to 1% of the aggregate amount outstanding on our credit agreement under our Fifth Amendment, which amounted to approximately $1.0 million for the year ended December 31, 2012 and the remaining increase consisted primarily of interest paid on our term loans, cash payments associated with our terminated interest rate swap, amortization of deferred debt issuance costs and interest expense on capital leases.

During the year ended December 31, 2012, we recorded an income tax benefit of $0.7 million, compared to a benefit of $23.1 million for the year ended December 31, 2011. The effective tax rate for the year ended December 31, 2012 was 30.84%, compared to 33.63% for the year ended December 31, 2011. Refer to the discussion under “Summary of Significant Accounting Policies — Income Taxes” included in Note 2 and “Income Taxes” included in Note 9 to our Consolidated Financial Statements included in this Annual Report on Form 10-K.

Inflation

Management believes that there has been no material effect on our operations or financial condition as a result of inflation or changing prices of our ambulatory infusion pumps during the period from December 31, 2011 through December 31, 2012.

Liquidity and Capital Resources

As of December 31, 2012, we had cash and cash equivalents of $2.3 million and $4.7 million of availability on the revolving line-of-credit compared to $0.8 million and $4.9 million of availability on the revolving line-of-credit at December 31, 2011. The increase in cash was primarily related to positive cash flows from operating activities offset by capital expenditures of $6.5 million, professional fees of $2.2 million, strategic alternative fees of $0.6 million and payments on capital leases of $2.5 million.

Cash provided by operating activities for the year ended December 31, 2012 was $5.5 million, compared to cash provided by operating activities of $6.7 million for the year ended December 31, 2011. The decrease is primarily attributable to an increase in revenue offset by better management of payment terms in accounts payable and other current liabilities.

Cash used in investing activities for the year ended December 31, 2012 was $2.6 million compared to $5.1 million for the year ended December 31, 2011. The decrease is primarily related to lower capital expenditures during the year and no acquisitions of intangible and other assets.

Cash used in financing activities for the year ended December 31, 2012 was $1.4 million compared to $5.8 million for the year ended December 31, 2011. The change was primarily related to additional borrowing due to a new debt agreement with Wells Fargo.

Management believes the current funds, together with expected cash flows from ongoing operations as well as the $4.7 million available as of December 31, 2012 on the revolving credit facility referred to below, are sufficient to fund our current operations.

On November 30, 2012, we entered into a credit facility with Wells Fargo as Administrative Agent and PennantPark as Lenders. The facility consisted of a $12.0 million Term Loan A (provided by Wells Fargo), a $14.5 million Term Loan B (provided by PennantPark) and a $10.0 million revolving credit facility, all of which mature on November 30, 2016, collectively (the "Credit Facility"). Interest on the term loan is payable at the Company's choice of LIBOR plus 7.25% (with a LIBOR floor of 2.0%) or the Wells Fargo prime rate plus 6.25% (with a prime rate floor of 3.0%). As of December 31, 2012, interest was payable at LIBOR plus 7.25%, which equaled 9.25%.

Proceeds from the term loan were used for general corporate purposes as well as to repay the outstanding balance of the Company's the Bank of America credit agreement.

Availability under the revolving credit facility is based upon the Company's eligible accounts receivable and eligible inventory. As of December 31, 2012, the Company had revolving loan gross availability of $6.5 million and outstanding amounts totaling $1.8 million, leaving approximately $4.7 million available under the revolving credit facility.

The credit facility is collateralized by substantially all of the Company's assets and requires the Company to comply with covenants, including but not limited to, financial covenants relating to the satisfaction, on a quarterly and annual basis for the duration of the Credit Facility, of a total leverage ratio, a fixed charge coverage ratio and an annual limit on capital expenditures, including capital leases. As of December 31, 2012, the Company was in compliance with all such covenants and expects to be in compliance for the next 12 months.

The following is a description of these covenants.

a) The fixed charge coverage ratio is calculated in accordance with the agreement governing the Credit Facility. This covenant is first required to be reported as of March 31, 2013 and has a minimum ratio at that time of 1.25:1. The required ratio varies quarterly for the remainder of the facility duration, from 1.25:1 to 2.00:1.

b) The leverage ratio is calculated in accordance with the agreement governing the Credit Facility. This covenant is first required to be reported as of March 31, 2013 and has a maximum ratio at that time of 2.50:1. The required ratio varies quarterly for the remainder of the facility duration, from 2.50:1 to 1.00:1.

c) The Credit Facility includes an annual limitation on capital expenditures in accordance with the agreement governing the Credit Facility that is $1.25 million for the year ended December 31, 2012 and $5.5 million for each year ending December 31, 2013 through 2016.

Contractual Obligations

InfuSystem Holding, Inc. is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide this information.

Contingent Liabilities

We do not have any contingent liabilities.

Off-Balance Sheet Arrangements

We do not have any material off-balance sheet arrangements.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements, including the notes thereto. We consider critical accounting policies to be those that require more significant judgments and estimates in the preparation of our consolidated financial statements, including the following: revenue recognition, which includes contractual allowances; accounts receivable and allowance for doubtful accounts; warrants and derivative financial instruments; income taxes; and goodwill valuation. Management relies on historical experience and other assumptions believed to be reasonable in making its judgment and estimates. Actual results could differ materially from those estimates.

Management believes its application of accounting policies, and the estimates inherently required therein, are reasonable. These accounting policies and estimates are periodically reevaluated, and adjustments are made when facts and circumstances dictate a change.

Our accounting policies are more fully described under the heading “Summary of Significant Accounting Policies” in Note 2 to our Consolidated Financial Statements included in this Annual Report on Form 10-K. We believe the following critical accounting estimates are the most significant to the presentation of our financial statements and require the most difficult, subjective and complex judgments:

Revenue Recognition

We recognize revenue for selling, renting and servicing new and pre-owned infusion pumps and other medical equipment to oncology practices as well as other alternate site settings including home care and home infusion providers, skilled nursing facilities, pain centers and others, when 1) persuasive evidence of an arrangement exists; 2) services have been rendered; 3) the price to the customer is fixed or determinable; and 4) collectability is reasonably assured. Persuasive evidence of an arrangement is determined to exist, and collectability is reasonably assured, when 1) we receive a physician’s written order and assignment of benefits, signed by the physician and patient, respectively; 2) we have verified actual pump usage and 3) we receive patient acknowledgement of assignment of benefits. We recognize rental revenue from electronic infusion pumps as earned, normally on a month-to-month basis. Pump rentals are billed at our established rates, which often differ from contractually allowable rates provided by third-party payors such as Medicare, Medicaid and commercial insurance carriers. All billings to third party payors are recorded net of provision for contractual adjustments to arrive at net revenues. We perform an analysis to estimate sales returns and record an allowance. This estimate is based on historical sales returns.

Due to the nature of the industry and the reimbursement environment in which we operate, certain estimates are required to record net revenues and accounts receivable at their net realizable values. Inherent in these estimates is the risk that they will have to be revised or updated as additional information becomes available. Specifically, the complexity of many third-party billing arrangements and the uncertainty of reimbursement

amounts for certain services from certain payors may result in adjustments to amounts originally recorded. Due to continuing changes in the health care industry and third-party reimbursement, it is possible that management's estimates could change in the near term, which could have an impact on our results of operations and cash flows.

Our largest contracted payor is Medicare, which accounted for approximately 31% of our gross billings for ambulatory infusion pump services for the years ended December 31, 2012 and 2011, respectively. Our contracts with our next largest contracted payor, in the aggregate, accounted for approximately 18% and 21% of our gross billings for ambulatory infusion pump services for the years ended December 31, 2012 and 2011, respectively. We also contract with various other third party payor organizations, commercial Medicare replacement plans, self-insured plans and numerous other insurance carriers. No individual payor, other than those listed above, accounts for greater than approximately 7% of our ambulatory infusion pump services gross billings.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reported at the estimated net realizable amounts from patients, third-party payors and other direct pay customers for goods provided and services rendered. We perform periodic analyses to assess the accounts receivable balances and record an allowance for doubtful accounts based on the estimated collectability of the accounts such that the recorded amounts reflect estimated net realizable value. Upon determination that an account is uncollectible, the account is written-off and charged to the allowance.

Accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future. Our estimate for allowance for doubtful accounts is based upon management's assessment of historical and expected net collections. Due to continuing changes in the health care industry and third-party reimbursement it is possible that management's estimates could change in the near term, which could have an impact on its financial position, results of operations, and cash flows.

Following is an analysis of the allowance for doubtful accounts for InfuSystem Holdings, Inc. for the years ended December 31 (in thousands):

	Balance at beginning of Period	Acquired in acquisition	Charged to costs and expenses	Deductions (1)	Balance at end of Period
Allowance for doubtful accounts — 2012	$ 1,773	$ —	$ 5,251	$ (3,888)	$3,136
Allowance for doubtful accounts — 2011	$ 1,796	$ —	$ 4,099	$ (4,122)	$1,773

(1) Deductions represent the write-off of uncollectible account receivable balances.

Income Taxes

We recognize deferred tax liabilities and assets based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities, using enacted tax rates in effect in the years the differences are expected to reverse. Deferred income tax (expense) benefit results from the change in net deferred tax assets or deferred tax liabilities. A valuation allowance is recorded when, in the opinion of management, it is more likely than not that some or all of any deferred tax assets will not be realized. For more information, refer to the "Income Taxes" discussion included in Note 9 in the Notes to the Consolidated Financial Statements.

Goodwill and Other Intangibles Valuation

Goodwill arising from business combinations represents the excess of the purchase price over the estimated fair value of the net assets of the businesses acquired.

We apply a fair value based impairment test for our single reporting unit to the net book value of goodwill and indefinite-lived assets on an annual basis and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. The analysis of potential impairments of goodwill requires a

two-step process. The first step is an estimation of fair value of the Company. If step one indicates that impairment potentially exists, the second step is performed to measure the amount of impairment, if any. Impairment exists when the fair value of goodwill or indefinite-lived assets is less than the carrying value.

We performed our annual impairment analysis in October 2012 and determined that the fair value of all remaining indefinite-lived assets was greater than the carrying value, resulting in no impairment of indefinite-lived assets.

As of June 30, 2011, based on a combination of factors, including a decline in our market capitalization, updated business forecasts, and the expiration of our warrants, we concluded that there were sufficient indicators to require us to perform an interim goodwill and indefinite lived intangibles impairment analysis. For the purposes of the analysis performed during the second quarter of 2011, our estimates of fair value were based on a combination of the income approach, which estimates the fair value based on the future discounted cash flows, and the market approach, which estimates the fair value based on comparable market prices. We concluded that an impairment loss existed and we recorded a $44.2 million non-cash asset impairment charge.

As of September 30, 2011, based on a significant decline in our market capitalization, we concluded that there was an indicator to require us to perform an additional interim goodwill and indefinite lived intangibles impairment analysis. For the purposes of the analysis performed during the third quarter of 2011, our estimates of fair value were based on a combination of the income approach, which estimates the fair value based on the future discounted cash flows, and the market approach, which estimates the fair value based on comparable market prices. We concluded that an impairment loss existed and for the three months ended September 30, 2011, we recorded $23.4 million for non-cash asset impairment charges representing our best estimate of the loss. Goodwill was fully impaired as of December 31, 2011.

For more information, refer to the “Goodwill and Intangible Assets” discussion included in Note 6 in the Notes to the Consolidated Financial Statements.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk.

InfuSystem Holding, Inc. is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under this item.

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
InfuSystem Holdings, Inc.
Madison Heights, Michigan

We have audited the accompanying consolidated balance sheets of InfuSystem Holdings Inc., and subsidiaries (the "Company") as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of InfuSystem Holdings, Inc. and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Detroit, Michigan
March 28, 2013

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	December 31, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,326	$ 799
Accounts receivable, less allowance for doubtful accounts of $3,136 and $1,773 at December 31, 2012 and December 31, 2011, respectively	8,511	7,350
Accounts receivable — related party	—	98
Inventory	1,339	1,309
Other current assets	684	934
Deferred income taxes	1,971	682
Total Current Assets	14,831	11,172
Medical equipment held for sale or rental	2,626	2,013
Medical equipment in rental service, net of accumulated depreciation	13,071	14,732
Property & equipment, net of accumulated depreciation	867	927
Deferred debt issuance costs, net	2,362	421
Intangible assets, net	25,541	28,221
Deferred income taxes	17,806	18,187
Other assets	419	590
Total Assets	$ 77,523	$ 76,263
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 2,135	$ 4,004
Accounts payable — related party	9	59
Derivative liabilities	—	258
Current portion of long-term debt	3,953	6,576
Other current liabilities	4,098	2,235
Total Current Liabilities	10,195	13,132
Long-term debt, net of current portion	27,315	22,551
Other liabilities	—	415
Total Liabilities	$ 37,510	$ 36,098
Stockholders' Equity		
Preferred stock, $.0001 par value: authorized 1,000,000 shares; none issued	—	—
Common stock, $.0001 par value; authorized 200,000,000 shares; issued and outstanding 21,990,000 and 21,802,515, as of December 31, 2012 and issued and outstanding 21,330,235 and 21,132,545 as of December 31, 2011, respectively.	2	2
Additional paid-in capital	88,742	87,541
Accumulated other comprehensive loss	—	(136)
Retained deficit	(48,731)	(47,242)
Total Stockholders' Equity	40,013	40,165
Total Liabilities and Stockholders' Equity	$ 77,523	$ 76,263

See accompanying notes to consolidated financial statements

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INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND
STATEMENTS OF COMPREHENSIVE LOSS

(in thousands, except share data)	Year Ended December 31, 2012	Year Ended December 31, 2011
Net revenues		
Rentals	$ 53,471	$ 46,795
Product sales	5,357	7,842
Net revenues	58,828	54,637
Cost of revenues:		
Cost of revenues — Product, service and supply costs	9,165	9,128
Cost of revenues — Pump depreciation and loss on disposal	6,752	10,154
Gross profit	42,911	35,355
Selling, general and administrative expenses:		
Provision for doubtful accounts	5,251	4,099
Amortization of intangibles	2,734	2,662
Asset impairment charges	—	67,592
Selling and marketing	9,864	9,371
General and administrative	23,062	17,987
Total selling, general and administrative:	40,911	101,711
Operating income (loss)	2,000	(66,356)
Other income (loss):		
Gain on derivatives	—	83
Interest expense	(3,340)	(2,193)
Loss on extinguishment of long term debt	(671)	—
Other expense	(141)	(111)
Total other loss	(4,152)	(2,221)
Loss before income taxes	(2,152)	(68,577)
Income tax benefit	663	23,134
Net loss	$ (1,489)	$ (45,443)
Net loss per share:		
Basic	$ (0.07)	$ (2.16)
Diluted	$ (0.07)	$ (2.16)
Weighted average shares outstanding:		
Basic	21,430,012	21,074,093
Diluted	21,430,012	21,074,093
Comprehensive Loss:		
Net loss	$ (1,489)	$ (45,443)
Unrealized loss on interest rate swap, net of taxes	—	(72)
Reclassification of hedging losses, net of taxes	136	—
Comprehensive Loss	$ (1,353)	$ (45,515)

See accompanying notes to consolidated financial statements

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
STOCKHOLDERS' EQUITY

(in thousands, except share data)	Common Stock Shares	Common Stock Par Value $0.0001 Amount	Additional Paid in Capital	Retained (Deficit) Earnings	Accumulated Other Comprehensive Loss	Treasury Stock Shares	Treasury Stock Amount	Total Stockholders' Equity
Balances at January 1, 2011	**21,163**	**$ 2**	**$ 87,004**	**$ (1,799)**	**$ (64)**	**(46)**	**$ —**	**$ 85,143**
Restricted shares issued upon vesting	219	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	970	—	—	—	—	970
Treasury shares repurchased	—	—	(331)	—	—	(152)	—	(331)
Common stock repurchased to satisfy minimum statutory withholding on stock-based compensation	(52)	—	(102)	—	—	—	—	(102)
Net loss	—	—	—	(45,443)	—	—	—	(45,443)
Unrealized loss on interest rate swap	—	—	—	—	(72)	—	—	(72)
Total comprehensive loss	—	—	—	—	—	—	—	(45,515)
Balances at December 31, 2011	**21,330**	**$ 2**	**$ 87,541**	**$(47,242)**	**$ (136)**	**(198)**	**$ —**	**$ 40,165**
Restricted shares issued upon vesting	727	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	1,328	—	—	—	—	1,328
Common stock repurchased to satisfy minimum statutory withholding on stock-based compensation	(67)	—	(127)	—	—	—	—	(127)
Net loss	—	—	—	(1,489)	—	—	—	(1,489)
Reclassification of hedging loss	—				136	—	—	136
Total comprehensive loss	—	—	—	—	—	—	—	(1,353)
Balances at December 31, 2012	**21,990**	**$ 2**	**$ 88,742**	**$(48,731)**	**$ —**	**(198)**	**$ —**	**$ 40,013**

See accompanying notes to consolidated financial statements

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31, 2012	Year Ended December 31, 2011
OPERATING ACTIVITIES		
Net loss	$ (1,489)	$ (45,443)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Gain on derivative liabilities	—	(83)
Loss on extinguishment of long-term debt	671	—
Provision for doubtful accounts	5,251	4,099
Depreciation	5,668	6,386
Loss on disposal of medical equipment	237	1,731
Gain on sale of medical equipment	(1,964)	(2,753)
Amortization of intangible assets	2,734	2,662
Asset impairment charges	—	67,592
Amortization of deferred debt issuance costs	228	238
Stock-based compensation	964	1,185
Deferred income taxes	(906)	(23,423)
Changes in Assets — (Increase)/Decrease, exclusive of effects of acquisitions:		
Accounts receivable	(6,490)	(4,419)
Inventory	(30)	33
Other current assets	249	(184)
Other assets	664	657
Changes in Liabilities — Increase/(Decrease), exclusive of effects of acquisitions:		
Accounts payable and other liabilities	(335)	(1,532)
NET CASH PROVIDED BY OPERATING ACTIVITIES	5,452	6,746
INVESTING ACTIVITIES		
Purchases of medical equipment and property	(6,542)	(8,211)
Proceeds from sale of medical equipment and property	3,978	4,218
Acquisition of intangible assets	—	(625)
Other asset acquisitions	6	(509)
NET CASH USED IN INVESTING ACTIVITIES	(2,558)	(5,127)
FINANCING ACTIVITIES		
Principal payments on term loans and capital lease obligations	(9,631)	(5,953)
Payoff of bank loan and revolver	(25,851)	—
Cash proceeds from bank loans and revolving credit facility	37,101	2,334
Payments on revolving credit facility	—	(1,750)
Payments for debt issuance costs	(2,842)	—
Common stock repurchased to satisfy taxes on stock based compensation	(144)	(102)
Treasury shares repurchased	—	(363)
NET CASH USED IN FINANCING ACTIVITIES	(1,367)	(5,834)
Net change in cash and cash equivalents	1,527	(4,215)
Cash and cash equivalents, beginning of period	799	5,014
Cash and cash equivalents, end of period	$ 2,326	$ 799

See accompanying notes to consolidated financial statements

The following table presents certain supplementary cash flow information for the years ended December 31, 2012 and 2011:

(in thousands)	2012	2011
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest (including swap payments)	$3,112	$1,934
Cash paid for income taxes	$ 79	$ 249
NON-CASH TRANSACTIONS		
Additions to medical equipment and property (a)	$ 121	$1,008
Medical equipment acquired pursuant to a capital lease	$ 522	$2,300

(a) Amounts consist of current liabilities for medical equipment that have not been included in investing activities. These amounts have not been paid for as of December 31, 2012 and 2011, but will be included as a cash outflow from investing activities for purchases of medical equipment and property when paid.

See accompanying notes to consolidated financial statements

INFUSYSTEM HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Nature of Operations

The information in this Annual Report on Form 10-K includes the financial position as of December 31, 2012 and 2011 and results of operations, cash flows and stockholders' equity for the years ended December 31, 2012 and 2011 of InfuSystem Holdings, Inc. and its consolidated subsidiaries (the "Company"). In the opinion of the Company, the consolidated statements for all periods presented include all adjustments necessary for a fair presentation of the financial statements.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The Company is a leading provider of infusion pumps and related services in the United States. The Company services hospitals, oncology clinics and other alternate site health care providers. Headquartered in Madison Heights, Michigan, the Company delivers local, field-based customer support, and also operates pump repair Centers of Excellence in Michigan, Kansas, California, and Ontario, Canada.

The Company supplies electronic ambulatory infusion pumps and associated disposable supply kits to oncology clinics, infusion clinics and hospital outpatient chemotherapy clinics. These pumps and supplies are utilized primarily by colorectal cancer patients who receive a standard of care treatment that utilizes continuous chemotherapy infusions delivered via electronic ambulatory infusion pumps. The Company obtains an assignment of insurance benefits from the patient, bills the insurance company or patient accordingly, and collects payment. The Company provides pump management services for the pumps and associated disposable supply kits to approximately 1,600 oncology clinics in the United States. The Company retains title to the pumps during this process.

In addition, the Company sells or rents new and pre-owned pole mounted and ambulatory infusion pumps to, and provides biomedical recertification, maintenance and repair services for oncology practices as well as other alternate site settings including home care and home infusion providers, skilled nursing facilities, pain centers and others. The Company also provides these products and services to customers in the small-hospital market.

The Company purchases new and pre-owned pole mounted and ambulatory infusion pumps from a variety of sources on a non-exclusive basis. The Company repairs, refurbishes and provides biomedical certification for the devices as needed. The pumps are then available for sale, rental or to be used within the Company's ambulatory infusion pump management service.

2. Summary of Significant Accounting Policies

Revised Presentation in the Consolidated Statements

The Company both rents and sells medical equipment. It has come to management's attention that based on promulgation through recent comments from the Staff of the Securities and Exchange Commission greater clarity and consistent classification should be provided in an entity's financial statements around such assets on the balance sheet and in the statement of cash flows. Specifically, the Staff believes that a company should clearly disclose (i) assets on the balance sheet; and (ii) cash flows when presenting cash flows in relation to, and in consideration of, its predominant source of revenues.

Management believes that the predominant source of revenues and cash flows from this medical equipment is from rentals and most equipment purchased is likely to be rented prior to being sold. Accordingly, to conform to this clarified position, the Company has concluded that (i) the assets specifically supporting its revenue should

be separately disclosed on the balance sheet; (ii) the purchase and sale of medical equipment that were historically recorded both in operating and investing cash flows should be classified solely in investing cash flows based on their predominant source; and (iii) other activities ancillary to the rental process should be consistently classified.

While management has concluded that the effect of correcting previous errors in its financial statements is not material, the Company reclassified certain elements of its Consolidated Balance Sheets and Consolidated Statement of Cash Flows for the year ended December 31, 2011 to allow for appropriate comparisons between years.

The effect of these reclassifications to the Consolidated Cash Flow Statement was to reduce Net cash provided by operating activities and reduce Net cash used in investing activities by $0.4 million for the year ended December 31, 2011 and the effect to the Consolidated Balance Sheet was to reclassify Inventory totaling $1.9 million to Medical equipment held for sale or rental as of December 31, 2011.

The corrections and reclassifications described above did not affect the Company's consolidated statements of operations or total cash flows for the years ended December 31, 2011, or total assets as of December 31, 2011.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all wholly owned organizations. All intercompany transactions and account balances have been eliminated in consolidation.

Segments

The Company operates in one business segment based on management's view of its business for purposes of evaluating performance and making operating decisions.

The Company utilizes shared services including but not limited to, human resources, payroll, finance, sales, pump repair and maintenance services, as well as certain shared assets and sales, general and administrative costs. The Company's approach is to make operational decisions and assess performance based on delivering products and services that together provide solutions to our customer base, utilizing functional management structure and shared services where possible. Based upon this business model, the chief operating decision maker only reviews consolidated financial information.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements, including the notes thereto. The Company considers critical accounting policies to be those that require more significant judgments and estimates in the preparation of its consolidated financial statements, including the following: revenue recognition, which includes contractual adjustments; accounts receivable and allowance for doubtful accounts; sales return allowances; inventory reserves; long lived assets; intangible assets; income taxes; and goodwill valuation. Management relies on historical experience and other assumptions believed to be reasonable in making its judgment and estimates. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company maintains its cash and cash equivalents primarily with two financial institutions and is fully insured with the Federal Deposit Insurance Corporation ("FDIC").

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are reported at the estimated net realizable amounts from patients, third-party payors and other direct pay customers for goods provided and services rendered. The Company performs periodic analyses to assess the accounts receivable balances. It records an allowance for doubtful accounts based on the estimated collectability of the accounts such that the recorded amounts reflect estimated net realizable value. Upon determination that an account is uncollectible, the account is written-off and charged to the allowance.

Accounts receivable are reduced by an allowance for amounts that could become uncollectible in the future. The Company's estimate for its allowance for doubtful accounts is based upon management's assessment of historical and expected net collections. Due to continuing changes in the health care industry and third-party reimbursement, it is possible that management's estimates could change in the near term, which could have a material impact on its financial position, results of operations and cash flows.

Following is an analysis of the allowance for doubtful accounts for the Company for the years ended December 31 (in thousands):

	Balance at beginning of Year	Acquired in acquisition	Charged to costs and expenses	Deductions (1)	Balance at end of Year
Allowance for doubtful accounts — 2012	$ 1,773	$ —	$ 5,251	$ (3,888)	$3,136
Allowance for doubtful accounts — 2011	$ 1,796	$ —	$ 4,099	$ (4,122)	$1,773

(1) Deductions represent the write-off of uncollectible account receivable balances.

Inventory

Our inventory consists of disposable products and related parts and supplies used in conjunction with medical equipment and is stated at the lower of cost or market. The Company periodically performs an analysis of slow moving inventory and records a reserve based on estimated obsolete inventory, which was $0.2 million, respectively, as of December 31, 2012 and 2011.

Medical Equipment

Medical Equipment ("ME") consists of equipment that the Company purchases from third-parties and is 1) held for sale or rent, and 2) used in service to generate rental revenue. ME, once placed into service, is depreciated using the straight-line method over the estimated useful lives of the equipment which is typically five

years. The Company does not depreciate ME held for sale or rent. When assets are sold, or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts and a sale is recorded in the current period. The Company periodically performs an analysis of slow moving medical equipment held for sale or rent and records a reserve based on estimated obsolescence, which was $0.1 million as of December 31, 2012 and none as of December 31, 2011.

Property and Equipment

Property and equipment is stated at acquired cost and depreciated using the straight-line method over the estimated useful lives of the related assets, ranging from three to seven years. Information Technology ("IT") software and hardware are depreciated over three years. Leasehold improvements are amortized using the straight-line method over the life of the asset or the remaining term of the lease, whichever is shorter. Maintenance and minor repairs are charged to operations as incurred. When assets are sold (outside of pre-owned pump sales), or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is recorded in the current period.

Impairment of Long-Lived Assets

Long-lived assets held for use are reviewed for events or changes in circumstances, which indicate that their carrying value may not be recoverable. If an impairment indicator exists, the Company assesses the asset or asset group for recoverability. Recoverability of these assets is determined based upon the expected undiscounted future net cash flows from the operations to which the assets relate, utilizing management's best estimates, appropriate assumptions and projections at the time. If the carrying value is determined not to be recoverable from future operating cash flows, the asset is deemed impaired and an impairment loss would be recognized to the extent the carrying value exceeded the estimated fair market value of the asset. The Company reviews the carrying value of long-lived assets if there is an indicator of impairment. As a result of this assessment, the Company recognized a non-cash charge of approximately $1.4 million in medical equipment recorded in "cost of revenues – depreciation and loss on disposals" for the year ended December 31, 2011.

Goodwill Valuation

Historically, goodwill was tested annually for impairment or more frequently if circumstances indicate the possibility of impairment. Significant judgments required to estimate fair value include estimating future cash flows, and determining appropriate discount rates, growth rates and other assumptions. As a result of goodwill impairment in 2011, the company has no goodwill as of December 31, 2012 or 2011. For more information, refer to the "Goodwill and Intangible Assets" discussion included in Note 6.

Intangible Assets

Intangible assets consist of trade names, physician and customer relationships, non-compete agreements and software. The trade names, physician and customer relationships and non-compete agreements arose primarily from the acquisitions of InfuSystem and First Biomedical. The Company amortizes the value assigned to the physician and customer relationships on a straight-line basis over the period of expected benefit, which is fifteen years. The acquired physician and customer relationship base represents a valuable asset of InfuSystem due to the expectation of future business opportunities to be leveraged from the existing relationship with each physician and customer. The Company has long-standing relationships with numerous oncology clinics, physicians, home care and home infusion providers, skilled nursing facilities, pain centers and others. These relationships are expected, on average, to have a fifteen year useful life, based on minimal attrition experienced to date by the Company and expectations of continued minimal attrition. Non-compete agreements are amortized on a straight-line basis over five years and software is amortized on a straight-line basis over three years. Management tests non-amortizable intangible assets (i.e., trade names such as InfuSystem) for impairment annually or as often as deemed necessary.

The Company performed its annual impairment analysis October 1, 2012 and determined that the fair value of indefinite-lived assets was greater than the carrying value, resulting in no impairment of indefinite-lived assets. For more information, refer to the "Goodwill and Intangible Assets" discussion included in Note 6.

Revenue Recognition

The Company recognizes revenue for selling, renting and servicing new and pre-owned infusion pumps and other medical equipment to oncology practices as well as other alternate site settings including home care and home infusion providers, skilled nursing facilities, pain centers and others, when persuasive evidence of an arrangement exists; services have been rendered; the price to the customer is fixed or determinable; and collectability is reasonably assured. Persuasive evidence of an arrangement is determined to exist, and collectability is reasonably assured, when the Company receives 1) a physician's written order and assignment of benefits, signed by the physician and patient, respectively, and the Company has 2) verified actual pump usage and 3) insurance coverage. The Company recognizes rental revenue from electronic infusion pumps as earned, normally on a month-to-month basis. Pump rentals are billed at the Company's established rates, which often differ from contractually allowable rates provided by third-party payors such as Medicare, Medicaid and commercial insurance carriers. All billings to third party payors are recorded net of provision for contractual adjustments to arrive at net revenues. The Company performs an analysis to estimate sales returns and records an allowance. This estimate is based on historical sales returns.

Due to the nature of the industry and the reimbursement environment in which the Company operates, certain estimates are required to record net revenues and accounts receivable at their net realizable values. Inherent in these estimates is the risk that they will have to be revised or updated as additional information becomes available. Specifically, the complexity of many third-party billing arrangements and the uncertainty of reimbursement amounts for certain services from certain payors may result in adjustments to amounts originally recorded. Due to continuing changes in the health care industry and third-party reimbursement, it is possible that management's estimates could change in the near term, which could have a material impact on our results of operations and cash flows.

The Company's largest contracted payor is Medicare, which accounted for approximately 31% of our gross billings for ambulatory infusion pump services for the years ended December 31, 2012 and 2011, respectively. The contracts with our next largest contracted payor, in the aggregate, accounted for approximately 18% and 21% of our gross billings for ambulatory infusion pump services for the years ended December 31, 2012 and 2011, respectively. The Company also has contracts with various other third party payor organizations, commercial Medicare replacement plans, self-insured plans and numerous other insurance carriers. No individual payor, other than those listed above, accounts for greater than approximately 7% of our ambulatory infusion pump services gross billings.

Income Taxes

The Company recognizes deferred tax liabilities and assets based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities, using enacted tax rates in effect in the years the differences are expected to reverse. Deferred income tax (expense) benefit results from the change in net deferred tax assets or deferred tax liabilities. A valuation allowance is recorded when, in the opinion of management, it is more likely than not that some or all of any deferred tax assets will not be realized. For more information, refer to the "Income Taxes" discussion included in Note 9.

Share Based Payment

Entities are required to recognize stock compensation expense in an amount equal to the fair value of share based payments made to employees, among other requirements. Under the fair value based method,

compensation cost is measured at the grant date based on the fair value of the award and is recognized on a graded vesting basis over the award vesting period. Refer to Note 12 for further information on share based compensation.

Share based compensation expense recognized for the years ended December 31, 2012 and 2011 was $0.9 million and $1.2 million, respectively.

Warrants and Derivative Financial Instruments

On February 16, 2010 the Company announced an offer to exchange common stock for outstanding warrants. At the time, the Company had 35.1 million outstanding warrants. The exchange offer expired on March 17, 2010. The 9.4 million remaining warrants that existed after the exchange expired on April 11, 2011 and the Company recorded a realized gain of $0.1 million, which is included in the gain in derivatives line item on the income statement, during the year ended December 31, 2011.

Cash Flow Hedge

The Company was exposed to risks associated with future cash flows related to the variability of the interest rate on its term loan with Bank of America. In order to manage the exposure of this risk on July 20, 2010, the Company entered into a single interest rate swap and designated the swap as a cash flow hedge. As of December 31, 2011 the fair value of the swap was presented on the Company's consolidated balance sheet within derivative liabilities, unrealized changes in the fair value were included in accumulated other comprehensive loss within the stockholders' equity section on the Company's consolidated balance sheet and amounts were reclassified out of accumulated other comprehensive income into interest expense when the underlying forecasted transaction affected earnings. During 2012, the Company's single interest rate swap was terminated and paid in the amount of $0.2 million as a result of the Company's new debt agreement. Amounts recorded in accumulated other comprehensive income based on the application of hedge accounting were reclassified to interest expense in 2012. The Company no longer has any interest rate swaps or hedging as of December 31, 2012.

Deferred Debt Issuance Costs

Capitalized debt issuance costs as of December 31, 2012 and 2011 relate to the Company's Bank of America credit facility in 2011 and the Company's Wells Fargo Debt at December 31, 2012. The Company classifies the costs related to these agreements as non-current assets and amortizes them using the interest method through the maturity date of the underlying debt. The Bank of America financing costs were fully expensed as of November 30, 2012 as a result of the loan termination. For a further discussion of the Company's deferred debt issuance costs, see Note 8, Debt and other long-term obligations.

Earnings (Loss) Per Share

Basic loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted loss per share assumes the issuance of potentially dilutive shares of common stock during the periods. The following table reconciles the numerators and denominators of basic and diluted loss per share computations for the years ended December 31:

	2012	2011
Numerator:		
Net loss *(in thousands)*	$ (1,489)	$ (45,443)
Denominator:		
Weighted average common shares outstanding:		
Basic	21,430,012	21,074,093
Dilutive effect of non-vested awards and options	—	—
Diluted	21,430,012	21,074,093
Net loss per share:		
Basic	$ (0.07)	$ (2.16)
Diluted	$ (0.07)	$ (2.16)

For the year ended December 31, 2012 and 2011, 0.2 million and 2.6 million, respectively, of unvested restricted shares were not included in the calculation because they would have an anti-dilutive effect. In addition, 0.3 million of vested stock options were not included in the calculation for the year ended December 31, 2012 because they would have an anti-dilutive effect.

Reclassifications

Certain amounts reported in prior years' consolidated financial statements have been reclassified from what was previously reported to conform to the current year's presentation. These reclassifications did not have a material impact on the Company's results in any year.

3. Going Concern and Management's Plan

The accompanying consolidated financial statements for the year ended December 31, 2012 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business and the continuation of the Company as a going concern.

In February 2012, a concerned stockholder group ("Concerned Stockholder Group") requested a special stockholders' meeting (the "Special Meeting") as described in the 2011 Form 10-K.

If the Special Meeting had resulted in a change in the majority of our Board of Directors (the "Board") under the terms of the Company's credit facility with Bank of America, N.A. and KeyBank National Association (the "Lenders"), a change in the majority of the Board would have constituted a change in control and an event of default, which would have allowed the Lenders to cause the debt to be immediately due and payable. This possibility of a change in the majority representation of the Board and consequent event of default under the credit facility, which would have allowed the Lenders to cause the debt of $24.0 million as of December 31, 2011 to become immediately due and payable, raised substantial doubt about the Company's ability to continue as a going concern. The 2011 consolidated financial statements did not include any adjustments, if any, that would have resulted from the outcome of this uncertainty. As further described herein, although a change in the board composition took place during the second quarter of 2012, the Company negotiated an amendment to its credit agreement to exclude this change of board members from its definition of an event of default and the Special Meeting was cancelled.

On April 24, 2012 we reached an agreement (the "Settlement Agreement") with the Concerned Stockholder Group, resulting in a series of changes to the Board and senior leadership. In accordance with Section 141(b) of the Delaware General Corporation Law ("DGCL") and Section 2.2 of the Company's amended and restated bylaws, the total number of authorized directors on the Board was increased from seven (7) to twelve (12). These newly created vacancies were filled by Mr. John Climaco, Mr. Charles Gillman, Mr. Ryan Morris, Mr. Dilip Singh and Mr. Joseph Whitters. Mr. Timothy Kopra, Mr. Pat LaVecchia, Mr. Sean McDevitt, Mr. Jean-Pierre Million and Mr. John Voris ("Old Board Members") resigned as directors of the Company. As a result of the above, in accordance with Section 141(b) of the DGCL and Section 2.2 of the Bylaws, the total number of authorized directors on the Board was decreased from twelve (12) to seven (7) to be effective following the resignations of the Old Board Members. In addition, Mr. McDevitt, the Company's then CEO (the "former CEO") resigned to pursue other interests and was replaced with Mr. Singh on an interim basis.

Concurrent with and as a condition of the Settlement Agreement, on April 24, 2012, Mr. McDevitt entered into a consulting agreement with the Company under which he resigned as CEO of the Company and agreed to serve as a consultant until July 31, 2012. Under the consulting agreement, Mr. McDevitt received a consulting fee of $1.0 million, paid in shares of the Company's common stock. Shares issued to Mr. McDevitt were issued from the Company's 2007 Stock Incentive Plan, as amended (the "Plan"), valued at the average closing price of a share on the NYSE-MKT on the five trading days preceding the date of such issuance and totaled 0.5 million shares.

Per the terms of the consulting agreement, Mr. McDevitt's Share Award Agreement entered into on April 6, 2010 with the Company terminated, including the 2.0 million shares of common stock potentially issuable under such agreement. Approximately $6.0 million in unrecognized compensation expense associated with such shares will not be recognized by the Company in the future. As these shares were forfeited before the requisite service period for this award was rendered, previously recognized compensation expense of $1.3 million was reversed and recorded as a reduction of general and administrative expense during the three months ended June 30, 2012.

On November 30, 2012, the Company entered into a credit facility with Wells Fargo as Administrative Agent and PennantPark as Lenders. The facility consisted of a $12.0 million Term Loan A (provided by Wells Fargo), a $14.5 million Term Loan B (provided by PennantPark) and a $10.0 million revolving credit facility, all of which mature on November 30, 2016, collectively the ("credit facility"). Interest on the term loan is payable at the Company's choice of LIBOR plus 7.25% (with a LIBOR floor of 2.0%) or the Wells Fargo prime rate plus 6.25% (with a prime rate floor of 3.0%). As of December 31, 2012, interest was payable at LIBOR plus 7.25%, which equaled 9.25%.

Proceeds from the term loan were for general corporate purposes as well as to repay the outstanding balance of the Company's the Bank of America credit agreement.

4. Medical Equipment

Medical equipment consisted of the following as of December 31 (in thousands):

	2012	2011
Medical Equipment in rental service	$ 34,193	$ 31,734
Medical Equipment in service — pump reserve	(270)	(155)
Accumulated depreciation	(20,852)	(16,847)
Medical Equipment held for sale or rental	2,626	2,013
Total	$ 15,697	$ 16,745

Included in medical equipment in rental service above is $6.3 million and $7.4 million, as of December 31, 2012 and 2011, respectively, of pumps obtained under various capital leases. Included in accumulated

depreciation above are $3.0 million and $2.2 million, as of December 31, 2012 and 2011, respectively, associated with the same capital leases. Under the terms of all such capital leases, the Company does not presently hold title to these pumps and will not obtain title until such time as the capital lease obligations are settled in full.

Depreciation expense for the years ended December 31, 2012 and 2011 was $5.2 million and $5.9 million, respectively, which was recorded in cost of revenues — pump depreciation and loss on disposal, respectively.

5. Property and Equipment

Property and equipment consisted of the following as of December 31 (in thousands):

	2012	2011
Furniture, fixtures, and equipment	$ 2,440	$ 2,121
Accumulated depreciation	(1,573)	(1,194)
Total	$ 867	$ 927

Depreciation expense for the years ended December 31, 2012 and 2011 was $0.5 million, respectively, which was recorded in general and administrative expenses.

6. Goodwill and Intangible Assets

Impairment Testing

The Company applies a fair value based impairment test to the net book value of goodwill and indefinite-lived assets on an annual basis and, if certain events or circumstances indicate that an impairment loss may have been incurred, on an interim basis. The analysis of potential impairments of goodwill and non-amortizable intangibles requires a two-step process. The first step is an estimation of fair value of the Company. If step one indicates that impairment potentially exists, the second step is performed to measure the amount of impairment, if any. Impairment exists when the fair value of goodwill or indefinite-lived assets is less than the carrying value. The Company performed its annual impairment analysis in October 2012 and determined that the fair value of indefinite-lived assets was greater than the carrying value, resulting in no impairment of indefinite-lived assets.

As of June 30, 2011, based on a combination of factors, including a decline in our market capitalization, updated business forecasts, and the expiration of our warrants, the Company concluded that there were sufficient indicators to require us to perform an interim goodwill and indefinite-lived intangibles impairment analysis. For the purposes of the analysis performed during the second quarter of 2011, our estimates of fair value were based on a combination of the income approach, which estimates the fair value based on the future discounted cash flows, and the market approach, which estimates the fair value based on comparable market prices. The Company concluded that an impairment loss existed and accordingly, a $44.2 million non-cash asset impairment charge was recorded.

As of September 30, 2011, based on a significant decline in our market capitalization, we concluded that there was an indicator to require us to perform an interim goodwill and indefinite-lived intangibles impairment analysis and as a result, we concluded that an impairment loss was probable and could be reasonably estimated. For the purposes of the analysis performed during the third quarter of 2011, estimates of fair value were based on a combination of the income approach, which estimates the fair value based on the future discounted cash flows, and the market approach, which estimates the fair value based on comparable market prices. Accordingly, $23.4 million was recorded for non-cash asset impairment charges representing the Company’s best estimate of the loss. This estimate was based on significant unobservable inputs.

Based on the impairment analyses performed by the Company during the years ended December 31, 2012 and 2011, the following table outlines the impairment charges by asset category as of December 31 (in thousands):

	Goodwill	Trade Names
Value as of December 31, 2010	$ 64,092	$ 5,500
Impairment charges in 2011	(64,092)	(3,500)
Value as of December 31, 2011 and 2012	$ —	$ 2,000

Identifiable Intangible Assets

The carrying amount and accumulated amortization of intangible assets as of December 31 are as follows (in thousands):

	2012			
	Weighted Average Remaining Amortization Period in Years	Gross Assets	Accumulated Amortization	Net
Nonamortizable intangible assets				
Trade names	—	$ 2,000	$ —	$ 2,000
Amortizable intangible assets				
Physician and customer relationships	5	32,866	10,373	22,493
Non-competition agreements	3	848	441	407
Software	2	1,647	1,006	641
Total nonamortizable and amortizable intangible assets		$ 37,361	$ 11,820	$25,541

	2011			
	Weighted Average Remaining Amortization Period in Years	Gross Assets	Accumulated Amortization	Net
Nonamortizable intangible assets				
Trade names	—	$ 2,000	$ —	$ 2,000
Amortizable intangible assets				
Physician and customer relationships	6	32,865	8,182	24,683
Non-competition agreements	4	848	258	590
Software	2	1,593	645	948
Total nonamortizable and amortizable intangible assets		$ 37,306	$ 9,085	$28,221

Amortization expense for intangible assets for the years ended December 31, 2012 and 2011 was $2.7 million, respectively, which was recorded in operating expenses. Expected annual amortization expense for the next five years for intangible assets recorded as of December 31 are as follows (in thousands):

	2013	2014	2015	2016	2017
Amortization expense	$2,615	$2,465	$2,275	$2,191	$2,191

7. Warrants and Derivative Financial Instruments

The Company determined that the warrants discussed in Note 2, issued in connection with the IPO, should be classified as liabilities when outstanding. Changes in the fair values of these instruments were reflected as adjustments to the amount of the recorded liabilities and the corresponding gain or loss was recorded in the Company's statement of operations within "Gain (loss) on derivatives". At the date of the conversion of each warrant or portion thereof, or exercise of the warrants or portion thereof, as the case may be, the corresponding liability was reclassified as equity.

On February 16, 2010 the Company announced an Offer to Exchange common stock for outstanding warrants. The exchange offer expired on March 17, 2010. There were 8.3 million publicly held warrants (issued in connection with the IPO) and 1.1 million privately held warrants remaining after the exchange and the warrants expired on April 11, 2011. The Company recorded a realized gain of $0.1 million as a result of the expiration.

The Company used derivative instruments to manage interest rate risk and had previously designated an interest rate swap as a cash flow hedge of interest expense related to variable-rate long-term debt. To the extent this hedging relationship was effective; changes in the fair value of the interest rate swap were recorded in Accumulated Other Comprehensive Loss ("AOCL"). Amounts were reclassified from AOCL to interest expense in the period when the hedged forecasted transaction affects earnings. As a result of the extinguishment of debt during the three months ended June 30, 2012, forecasted cash flows associated with the hedged variable-rate debt interest payments were concluded to no longer be probable. Consequently, $0.1 million recorded in AOCL relating to the hedging relationship was reclassified to interest expense.

As of December 31, 2011, the Company had a single interest rate swap liability outstanding with a fair market value of $0.3 million classified in Derivative Liabilities. This swap had a notional value of $15.6 million as of December 31, 2011. The Company measured the fair value of its interest rate swap using Level 2 fair value measurement inputs which are observable in the market. There were no reclassifications between fair value measurement levels during the periods ended December 31, 2012 or 2011.

The following table presents the changes in the fair value of the derivative designated as hedging instruments recorded in AOCL and earnings during the years ended December 31 (in thousands):

December 31, 2012

Description	Gain Recognized in OCL	Location of Gain Reclassified from AOCL into Income (Effective Portion)	Loss Reclassified from AOCL into Income (Effective Portion)
Interest rate swap	$ 1	Interest expense	$ (136)
Total	$ 1		$ (136)

December 31, 2011

Description	Loss Recognized in OCL	Location of Gain Reclassified from AOCL into Income (Effective Portion)	Loss Reclassified from AOCL into Income (Effective Portion)
Interest rate swap	$ (158)	Interest expense	$ —
Total	$ (158)		$ —

The following table presents the pretax gains that changes in the fair values of warrants had on earnings during the year ended December 31 (in thousands):

Description	Location of Gain (Loss) Recognized in Income	2012	2011
Warrants	Gain on derivatives	$—	$83

8. Debt and other Long-term Obligations

On June 15, 2010, the Company entered into a credit facility with Bank of America, N.A. as Administrative Agent, and KeyBank National Association as Documentation Agent. The facility initially consisted of a $30.0 million term loan and a $5.0 million revolving credit facility, both of which originally matured in June 2014. Interest on the term loan was payable at the Company's choice of LIBOR plus 4.5% or the Bank of America prime rate plus 3.5%. As of December 31, 2011 interest was payable at LIBOR plus 4.5%, which equaled approximately 4.78%.

In conjunction with the acquisition of First Biomedical in 2010, the Company entered into a subordinated promissory note with the former majority shareholder of First Biomedical (the Seller) in the amount of $0.8 million. In accordance with the note, the Company paid the Seller in equal installments over 24 months, which included annual interest of 5%. As of December 31, 2011 the outstanding principal due on the note was $0.2 million. The note was fully settled as of December 31, 2012.

In February 2012, a concerned stockholder group ("Concerned Stockholder Group") requested a special stockholders' meeting (the "Special Meeting") as described in the 2011 Form 10-K.

If the Special Meeting had resulted in a change in the majority of our Board of Directors (the "Board") under the terms of the Company's credit facility with Bank of America, N.A. and KeyBank National Association (the "Lenders"), a change in the majority of the Board would have constituted a change in control and an event of default, which would have allowed the Lenders to cause the debt to be immediately due and payable. This possibility of a change in the majority representation of the Board and consequent event of default under the credit facility, which would have allowed the Lenders to cause the debt of $24.0 million as of December 31, 2011 to become immediately due and payable, raised substantial doubt about the Company's ability to continue as a going concern. The 2011 consolidated financial statements did not include any adjustments, if any, that would have resulted from the outcome of this uncertainty. As further described herein, although a change in the board composition took place during the second quarter of 2012, the Company negotiated an amendment to its credit agreement to exclude this change of board members from its definition of an event of default and the Special Meeting was cancelled.

This amendment, the Fifth Amendment, was executed on April 24, 2012 and accelerated the maturity to July 2012 and added a monthly fee equal to one (1) percent "ticking fee" on outstanding amounts under that facility beginning in August 2012.

On November 30, 2012, the Company entered into a credit facility with Wells Fargo Bank as Administrative Agent and PennantPark as Lenders. The facility consisted of a $12.0 million Term Loan A (provided by Wells Fargo), a $14.5 million Term Loan B (provided by PennantPark) and a $10.0 million revolving credit facility, all of which mature on November 30, 2016, collectively (the "Credit Facility"). Interest on the term loan is payable at the Company's choice of LIBOR plus 7.25% (with a LIBOR floor of 2.0%) or the Wells Fargo prime rate plus 6.25% (with a prime rate floor of 3.0%). As of December 31, 2012, interest was payable at LIBOR plus 7.25%, which equaled 9.25%.

Proceeds from Term Loan A and Term Loan B were used for general corporate purposes as well as to repay the outstanding balance of the Company's the Bank of America credit agreement.

Availability under the revolving credit facility is based upon the Company's eligible accounts receivable and eligible inventory. As of December 31, 2012, the Company had revolving loan gross availability of $6.5 million and outstanding amounts totaling $1.8 million, leaving approximately $4.7 million available under the revolving credit facility.

The credit facility is collateralized by substantially all of the Company's assets and requires the Company to comply with covenants, including but not limited to, financial covenants relating to the satisfaction, on a quarterly and annual basis for the duration of the Credit Facility, of a total leverage ratio, a fixed charge coverage ratio and an annual limit on capital expenditures, including capital leases. As of December 31, 2012, the Company was in compliance with all such covenants and expects to be in compliance over the next 12 months.

In connection with the Credit Facility, the Company has the following covenant obligations for the duration of the facility:

a) The fixed charge coverage ratio is calculated in accordance with the agreement governing the Credit Facility. This covenant is first required to be reported as of March 31, 2013 and has a minimum ratio at that time of 1.25:1. The required ratio varies quarterly for the remainder of the facility duration, from 1.25:1 to 2.00:1.

b) The leverage ratio is calculated in accordance with the agreement governing the Credit Facility. This covenant is first required to be reported as of March 31, 2013 and has a maximum ratio at that time of 2.50:1. The required ratio varies quarterly for the remainder of the facility duration, from 2.50:1 to 1.00:1.

c) The Credit Facility includes an annual limitation on capital expenditures in accordance with the agreement governing the Credit Facility that is $1.25 million for the year ended December 31, 2012 and $5.5 million for each year ending December 31, 2013 through 2016.

In conjunction with the new credit facility, the Company incurred debt issuance costs of $2.4 million. These costs are recognized in income using the effective interest method through the maturity date of November 30, 2016. Also, the Company incurred deferred debt issuance costs in 2010 in conjunction with the Bank of America loan agreement. The remaining unamortized debt costs, in respect to the previous loan agreement, were completely recognized when the Company executed the Fifth Amendment to that credit agreement on April 24, 2012. At that time, the Company also capitalized certain costs of $0.2 million incurred in the negotiation and execution of the Fifth Amendment which were to be amortized through the maturity date of July 30, 2013. The remaining unamortized debt costs, from the Fifth Amendment, were written off to loss on extinguishment of debt on the Company's Statement of Operations when the Company executed the Wells Fargo loan agreement and repaid in full the Bank of America loan agreement on November 30, 2012. Amortization of all deferred debt issuance costs for the year ended December 31, 2012 was $0.2 million, including $0.1 million of our old credit facility, and were recorded in interest expense.

The Company sometimes enters into capital leases to finance the purchase of ambulatory infusion pumps. The pumps are capitalized into property and equipment at their fair market value, which equals the value of the future minimum lease payments, and are depreciated over the useful life of the pumps.

The Company had approximate future maturities of loans and capital leases as of December 31, 2012 as follows (in thousands):

	2013	2014	2015	2016	Total
Term Loans	$2,400	$2,400	$2,400	$21,100	$28,300
Capital Leases	1,553	979	396	40	2,968
Total	$3,953	$3,379	$2,796	$21,140	$31,268

9. Income Taxes

The following table summarizes income (loss) before income taxes for the years ended December 31 (in thousands):

	2012	2011
U.S income (loss)	$(3,501)	$(69,696)
Non-U.S. income	1,349	1,119
Loss before income taxes	$(2,152)	$(68,577)

The following table summarizes the components of the consolidated provision for income taxes for the years ended December 31 as follows (in thousands):

	2012	2011
U.S Federal income tax benefit		
Current	$ (93)	$ (236)
Deferred	(717)	(21,009)
Total U.S. Federal income tax benefit	(810)	(21,245)
State and local income tax expense (benefit)		
Current	(18)	205
Deferred	(191)	(2,409)
Total state and local income tax benefit	(209)	(2,204)
Foreign income tax expense		
Current	356	315
Total income tax benefit	$(663)	$(23,134)

The following table summarizes the temporary differences and carryforwards that give rise to deferred tax assets and liabilities as of December 31 (in thousands):

	2012	2011
Deferred Federal income tax assets —		
Bad debt reserves	$ 1,075	$ 126
Stock based compensation	635	703
Net operating loss	5,564	4,585
Accrued compensation	483	94
Alternative minimum tax credit	47	42
Inventory	70	80
Accrued rent	18	18
Goodwill and intangibles	11,609	12,820
Derivative liability	—	87
Other	14	16
Total deferred Federal income tax assets	19,515	18,571
Deferred Federal income tax liabilities —		
Depreciation and asset basis differences	(1,772)	(1,529)
Total deferred Federal income tax liabilities	(1,772)	(1,529)
Net deferred Federal income tax asset	17,743	17,042
Net deferred state and local income tax asset	2,034	1,827
Net deferred income taxes	$19,777	$18,869

The classification of net deferred income taxes as of December 31, 2012 is summarized as follows (in thousands):

	Current	Long-term	Total
Deferred tax assets	$1,971	$21,751	$23,722
Deferred tax liabilities	—	(3,945)	(3,945)
Net deferred income taxes	$1,971	$17,806	$19,777

The classification of net deferred income taxes as of December 31, 2011 is summarized as follows (in thousands):

	Current	Long-term	Total
Deferred tax assets	$ 682	$22,122	$22,804
Deferred tax liabilities	—	(3,935)	(3,935)
Net deferred income taxes	$ 682	$18,187	$18,869

The following table summarizes a reconciliation of the effective income tax rate to the U.S. federal statutory rate for the years ended December 31 as follows:

	2012	2011
Income tax benefit at the statutory rate	34.00%	34.00%
State and local income tax benefit	1.78%	3.33%
Foreign income tax	(10.23%)	(0.28%)
Permanent differences	(5.38%)	(3.71%)
Resolution of uncertain tax positions	11.15%	0.17%
Other adjustments	(0.48%)	0.12%
Effective income tax rate	30.84%	33.63%

As of December 31, 2012, the Company had generated federal and state net operating loss carryforwards of approximately $16.4 million and $10.8 million, respectively. The federal net operating losses can be used for a 20-year period, and if unused, will begin to expire in 2028. The state net operating losses have expiration periods which range from 5 to 20 years and vary by state. The Company expects to be able to utilize these net operating loss carryforwards and therefore has not recorded a valuation allowance which is discussed in more detail below.

The Company's realization of its deferred tax assets is dependent upon many factors, including, but not limited to, the Company's ability to generate sufficient taxable income. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated is the cumulative loss incurred over the three-year period ended December 31, 2012. After adjusting the historical losses for non-recurring items, including the 2011 goodwill impairment, sufficient earnings history exists to support the realization of the deferred tax assets. This evidenced ability to generate sufficient taxable income is the basis for the Company's assessment that the deferred tax assets are more likely than not to be realized.

The Company uses a recognition threshold and measurement attribute for the financial statement recognition of uncertain tax positions. The changes in unrecognized tax benefits were as follows for the years ended December 31:

	2012	2011
Beginning balance	$ 240	$ 247
Additions to prior year tax positions	—	109
Reductions to prior year tax positions	(109)	(13)
Reductions for lapse in statute of limitations	(131)	(103)
Ending balance	$ —	$ 240

As of December 31, 2012, the Company had no gross unrecognized tax benefits.

The federal income tax returns of the Company for the years 2009 through 2012 are subject to examination by the IRS, generally for three years after the latter of their extended due date or when they are filed. The state income tax returns and other state tax filings of the Company are subject to examination by the state taxing authorities, for various periods generally up to four years after they are filed.

10. Related Party Transactions

During the years ended December 31, 2012 and 2011, the Company purchased pumps from Adepto Medical, a company that is controlled by a family member of Mr. Tom Creal, Executive Vice-President of First Biomedical. Total purchases during 2012 and 2011 amounted to $0.1 million and $0.1 million, respectively. Outstanding payables associated with the purchases as of December 31, 2012 and 2011 was less than $0.1 million, respectively, and have been shown separately as Accounts Payable — related party in the Consolidated Balance Sheets. The Company also provided pumps to Adepto Medical during the year ended December 31, 2012 and 2011. Total revenue earned during the years ended December 31, 2012 and 2011 was less than $0.1 million and $0.4 million, respectively. Outstanding accounts receivable associated with the revenue were less than $0.1 million as of 2012 and 2011, respectively, and have been shown separately as Accounts Receivable —related party in the Consolidated Balance Sheets.

As described in Note 8, in accordance with the terms of the Stock Purchase Agreement with First Biomedical, the Company entered into a subordinated promissory note (the “Note”) with Thomas Creal, the former majority shareholder of First Biomedical (the Seller) in the amount of $0.8 million. In accordance with the Note, the Company paid the Seller in equal installments over 24 months, which includes annual interest of 5%. As of December 31, 2011 the outstanding principal due on the note was $0.2 million. The note was fully paid as of December 31, 2012. The Seller is a current employee of the Company and is subject to an employment agreement. Also, the Seller owns Jan-Mar LLC and is the principal owner of the CW Investment Group LLC with another company executive. In accordance with the Stock Purchase Agreement, the Company entered into operating lease agreements with Jan-Mar LLC and the CW Investment Group LLC, each of which owns one of the two office buildings utilized by First Biomedical in Olathe, Kansas. The terms of each lease is thirty-six months, commencing on July 1, 2010. Rent is paid monthly and totals less than $0.1 million annually to each property owner.

11. Commitments and Contingencies

Certain of the Company’s directors committed to purchase up to $1.0 million of the Company’s warrants from the Company in a private placement at a price of $.70 per warrant subsequent to the filing of the preliminary proxy statement seeking stockholder approval of the acquisition of the Company. Such officers and directors agreed not to sell or transfer the warrants until after the Company consummated a business combination. The warrants had an exercise price of $5.00 per share of common stock and became exercisable commencing on October 25, 2007, the acquisition date, and expired on April 11, 2011. The Company had the

right to call the warrants for redemption in whole and not in part at a price of $0.01 per warrant at any time after the warrant became exercisable. There were 1,142,858 privately held warrants remaining after the exchange as discussed in Note 7 that expired in April 2011.

The Company is involved in legal proceedings arising out of the ordinary course and conduct of our business, the outcomes of which are not determinable at this time. We have insurance policies covering such potential losses where such coverage is cost effective. In the Company's opinion, any liability that might be incurred by us upon the resolution of these claims and lawsuits will not, in the aggregate, have a material effect on the Company's consolidated financial position, results of operations or cash flows.

The Company had approximate minimum future operating lease commitments as of December 31 of (in thousands):

2013	2014	2015	2016	2017 and thereafter
$740	$611	$516	$339	$ 744

Lease expense for the years ended December 31, 2012 and 2011 was $0.6 million and $0.5 million, respectively.

12. Share-based Compensation

Stock award compensation expense is recognized on a graded vesting basis over the requisite service period of the award, which is the vesting term. For stock awards which vest more quickly than a straight-line basis, additional expense is taken in the early year(s) to ensure the expense is commensurate with the vest schedule.

2007 Stock Incentive Plan

In 2007, the Company adopted the 2007 Stock Incentive Plan (the "Plan") providing for the issuance of a maximum of 2.0 million shares of common stock in connection with the grant of stock-based or stock-denominated awards. On May 27, 2011, the Company's stockholders approved the reservation of an additional 3.0 million shares to be issued under the Plan.

As of December 31, 2012, 0.4 million common shares remained available for future grant under the Plan.

Restricted Shares

During the years ended December 31, 2012 and 2011, the Company granted restricted shares and stock options under the Plan.

During the years ended December 31, 2012 and 2011, the Company granted 0.3 million and 0.7 million restricted shares, of which 0.1 million shares vested immediately in each year with the remaining shares to be received at the end of a vesting period only if the participants remain employed by the Company through the vesting date and the number of shares earned will be based on the proportion of the length of service for a period of three or four years. In addition, for 2012, the Company issued 0.5 million shares to its former CEO as a condition of the Settlement Agreement under which he resigned from the Company and agreed to serve as a consultant until July 31, 2012. For additional information, see Note 3.

During the year ended December 31, 2010, the Company granted 3.4 million restricted shares. Of the total shares granted, 1.4 million entitled a holder to receive, at the end of a vesting period, a specified number of shares of the Company's common stock. The remaining 2.0 million shares granted entitled the holder to receive common stock when the shares vest based upon certain market conditions tied to the Company's stock price, or certain performance conditions including a change in control. In 2012, these 2.0 million shares were forfeited as a condition of the Settlement Agreement under which the Company's former CEO resigned.

Restricted shares entitle the holder to receive, upon meeting certain vesting criteria, a specified number of shares of the Company's common stock. Stock-based compensation cost of restricted shares is measured by the market value of the Company's common stock on the date of grant. Compensation cost associated with certain restricted share grants also takes into account market conditions in its measurement. The following table summarizes restricted share activity for the years ended December 31:

	Number of shares (In thousands)	Weighted average grant date fair value
Unvested at December 31, 2010	2,174	$ 2.51
Granted	682	1.64
Vested	(168)	1.90
Vested shares forgone to satisfy minimum statutory withholding	(51)	2.19
Forfeitures	(1)	2.58
Unvested at December 31, 2011	2,636	$ 1.88
Granted	343	1.82
Vested	(169)	1.82
Vested shares forgone to satisfy minimum statutory withholding	(70)	1.81
Forfeitures	(2,172)	1.40
Unvested at December 31, 2012	568	$ 1.87

As of December 31, 2012, there was $0.5 million of pre-tax total unrecognized compensation cost related to non-vested restricted shares, which will be adjusted for future forfeitures, if any. The Company expects to recognize such cost over a period of approximately 4 years. As of December 31, 2011, there was $6.6 million of pre-tax total unrecognized compensation cost related to non-vested restricted shares, of which approximately $6.0 million related to the former CEO's restricted shares that were forfeited in April 2012 before the requisite service period for the awards were rendered and therefore previously recognized stock compensation expense totaling $1.3 million was reversed and recorded as a reduction of general and administrative expenses during the 2012 year. This represented a forfeiture of 2.0 million shares. For additional information see Note 3.

Stock Options

The Company calculates the fair value of stock option awards using the Black-Scholes option pricing model, which incorporates various assumptions including volatility, expected term, risk-free interest rates and dividend yields. The expected volatility assumption is based on historical volatility of the Company's common stock over the most recent period commensurate with the expected life of the stock option granted. The Company uses historical volatility because management believes such volatility is representative of prospective trends. The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected life of the stock option awarded. The expected life of the stock option is based on the simplified method as described in SAB Topic 14, "Share-Based Payment". Because the Company does not have a history of granting options, the Company believes the simplified method is the best estimate of option life. Dividend yields have not been a factor in determining fair value of stock options granted as the Company has never issued cash dividends and does not anticipate issuing cash dividends in the future.

During the year ended December 31, 2012, the Company granted 1.4 million stock options, of which 1.2 million were issued to board members, at exercise prices which were the market price on the date of the grant. There were no stock options granted during the year ended December 31, 2011. The following table details the various stock options issued in 2012:

	2012	
	Number of Shares (in thousands)	Weighted Average grant date fair value
Unvested at December 31, 2011	—	—
Granted	1,375	$ 2.21
Vested	(967)	$ 2.25
Unvested at December 31, 2012	408	$ 2.12

The following is the average fair value per share estimated on the date of grant and the assumptions used for options granted during the year ended December 31, 2012:

	2012
Expected volatility	60%
Risk free interest rate	0.25%
Expected lives at date of grant (in years)	3.42
Weighted average fair value of options granted	$2.21

There was no stock option activity for the year ended December 31, 2011.

Stock-based compensation expense

The following table presents the total stock-based compensation expense, which is included in selling, general and administrative expenses for the years ended December 31, 2012 and 2011 (in thousands):

	2012	2011
Restricted share expense	$451	$1,185
Stock option expense	513	—
Total stock-based compensation expense	$964	$1,185

* Includes $0.4 million expense reversal for previously recognized tax gross-up liability; a change in estimate due to the $0.9 million forfeiture of 2.0 million restricted share grants; and $1.0 million of additional stock compensation expense due to the Settlement Agreement described in Note 3.

** Includes $0.2 million expense for a tax gross-up liability associated with certain restricted share grants.

Common Share Repurchase Program

Stock repurchases may be made through open market transactions, negotiated purchases or otherwise, at times and in such amounts as our management deems to be appropriate. The timing and actual number of shares repurchased will depend on a variety of factors, including price, financing and regulatory requirements, as well as other market conditions. The program does not require us to repurchase any specific number of shares or to complete the program within a specific period of time.

During the year ended December 31, 2012 the Company did not repurchase any shares in the open market; however, during the year ended December 31, 2011, the Company repurchased less than 0.2 million at an average price of $2.18 at a cost of approximately $0.3 million.

13. Employee Benefit Plans

The Company has defined contribution plans in which the Company contributes a certain percentage of employee contributions. The Company matching contributions totaled $0.1 million for 2012 and $0.2 million for the year ended December 31, 2011. The Company does not provide other post-retirement or post-employment benefits to its employees.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

We maintain disclosure controls and procedures, (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act) that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal accounting and financial officer), as appropriate, to allow timely decisions regarding required financial disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with a company have been detected.

Our management, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Exchange Act) as of December 31, 2012. Based on that evaluation, our CEO and CFO concluded that, as of that date, our disclosure controls and procedures were not effective at the reasonable assurance level because of the identification of a material weakness in our internal control over financial reporting, which we view as an integral part of our disclosure controls and procedures.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act. Our internal control over financial reporting system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that material misstatements will be prevented or detected on a timely basis. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2012 utilizing the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. The objective of this assessment was to determine whether our internal control over financial reporting was effective as of December 31, 2012. In our assessment of the effectiveness of internal control over financial reporting as of December 31, 2012, we identified a material weakness related to record-keeping of minutes of the meetings of the Board of Directors and its committees, as described below, and consequently concluded that our internal control over financial reporting was not effective as of December 31, 2012.

Notwithstanding this material weakness, based on additional procedures performed after its discovery, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations, and cash flows for the periods presented.

During the preparation of our Form 10-K for 2012, our management identified a material weakness in the Company's internal control over financial reporting relating to the timely circulation and approval of minutes of

the Board of Directors and its committees and our stock-based compensation calculations for the year ended December 31, 2012. During 2012 a majority of the Company's Board of Directors and its CEO and CFO, were replaced and, in the transition, timely approval and record-keeping of board minutes were not performed. While minutes were contemporaneously recorded, this material weakness specifically related to the circulation and finalization of approvals of such minutes. Such timely circulation and approvals would have improved the timeliness and preparation of certain accounting analyses and related stock-based compensation calculations. Our management has reassessed its process with regard to Board of Directors and related committee minutes and our stock-based compensation calculations and has taken steps to assure that adequate procedures are in place on a go forward basis to remediate this weakness.

Remediation of a Previously Identified Material Weakness

In our Annual Report on Form 10-K for the year ended December 31, 2011, we reported a material weakness in internal control over financial reporting relating to limited finance staffing levels that were not commensurate with the Company's increased complexity and its financial accounting and reporting requirements in light of the Company's continued growth from the acquisition of First Biomedical. During 2012, we initiated measures to continue our remediation activities related to the controls over financial reporting at the First Biomedical business by implementing new procedures and internal controls at both our corporate office and at our First Biomedical business. These procedures included, but were not limited to, (i) application of a more rigorous review of the monthly close processes; (ii) reviews by corporate office personnel of journal entries prepared by the First Biomedical business; (iii) changes made to require approval of certain asset purchases; (iv) a change in the financial reporting structure; and (v) establishment of a formalized process to ensure key controls are identified, the design of controls is appropriate, and appropriate evidentiary documentation of transactions is maintained. We believe we have implemented policies and procedures sufficient to conclude that it is no longer reasonably possible that our consolidated financial statements will be materially misstated as a result of internal control weaknesses previously identified at the First Biomedical business and consequently we have concluded this matter no longer represents a material weakness in the controls over financial reporting.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting because that requirement under Section 404 of the Sarbanes-Oxley Act of 2002 was permanently removed for non-accelerated filers pursuant to the provisions of Section 989G(a) set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act enacted into federal law in July 2010.

Changes in Internal Control Over Financial Reporting

Other than as described above, there have not been any changes in our internal control over financial reporting during the fourth quarter ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Part III, Item 10 is incorporated herein by reference to our definitive proxy statement relating to the 2013 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required by Part III, Item 11 is incorporated herein by reference to our definitive proxy statement relating to the 2013 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by Part III, Item 12 is incorporated herein by reference to our definitive proxy statement relating to the 2013 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by Part III, Item 13 is incorporated herein by reference to our definitive proxy statement relating to the 2013 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

Item 14. Principal Accounting Fees and Services

The information required by Part III, Item 14 is incorporated herein by reference to our definitive proxy statement relating to the 2013 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

PART IV

Item 15. Exhibits

(a) 1. Financial Statements

Reference is made to the Index to Financial Statements under Item 8, Part II hereof.

2. Financial Statement Schedules

The Financial Statement Schedules have been omitted either because they are not required or because the information has been included in the financial statements or the notes thereto included in this Annual Report on Form 10-K.

3. Exhibits

(b) See Item 15(a)(3)

(c) See Item 15(a)(3)

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Exhibit Number	Description of Document
3.1	Amended and Restated Certificate of Incorporation (1)
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation (2)
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation (3)
3.4	Certificate of Designation of Rights, Preferences and Privileges of Series A Junior Participating Preferred Stock (4)
3.5	Amended and Restated By-Laws (5)
4.1	Specimen Common Stock Certificate (6)
4.2	Rights Agreement, dated as of November 12, 2010, between InfuSystem Holdings, Inc. and Mellon Services, LLC as Rights Agent (4)
4.3	First Amendment to Rights Agreement, dated as of June 8, 2012, by and between InfuSystem Holdings, Inc. and Computershare Shareowner Services LLC (f/k/a Mellon Investor Services, LLC), as rights agent (7)
10.1	InfuSystem Holdings, Inc. 2007 Stock Incentive Plan (8)
10.2	Amended and Restated Registration Rights Agreement, dated as of October 17, 2007 by and among InfuSystem Holdings, Inc., Wayne Yetter, John Voris, Jean-Pierre Millon, Erin Enright, Sean McDevitt, Pat LaVecchia and Great Point Partners LLC (9)
10.3	Stock Purchase Agreement, dated as of June 15, 2010, among InfuSystem Holdings, Inc., the Stockholders of First Biomedical, Inc. and Thomas F. Creal II, as Representative (10)
10.4	Credit Agreement, dated as of June 15, 2010, among InfuSystem Holdings, Inc., InfuSystem, Inc. and First Biomedical, Inc., Bank of America, N.A. as Administrative Agent and Lender and Keybank National Association as Lender (10)
10.5	First Amendment to Credit Agreement, dated as of January 27, 2011, by and between InfuSystem Holdings, Inc., InfuSystem, Inc., and First Biomedical, Inc., Bank of America, N.A. as Administrative Agent and Lender and Keybank National Association as Lender (11)
10.6	Second Amendment to Credit Agreement, dated as of April 1, 2011, by and between InfuSystem Holdings, Inc., InfuSystem, Inc., and First Biomedical, Inc., Bank of America, N.A. as Administrative Agent and Lender and Keybank National Association as Lender (12)
10.7	Third Amendment to Credit Agreement, dated as of May 20, 2011, by and between InfuSystem Holdings, Inc., InfuSystem, Inc., and First Biomedical, Inc., Bank of America, N.A. as Administrative Agent and Lender and Keybank National Association as Lender (11)
10.8	Fourth Amendment to Credit Agreement, dated as of July 21, 2011, by and between InfuSystem Holdings, Inc., InfuSystem, Inc., and First Biomedical, Inc., Bank of America, N.A. as Administrative Agent and Lender and Keybank National Association as Lender (13)
10.9	Waiver to Credit Agreement, dated as of March 15, 2012, by and between InfuSystem Holdings, Inc., InfuSystem, Inc., and First Biomedical, Inc., Bank of America, N.A. as Administrative Agent and Lender and Keybank National Association as Lender (11)
10.10	Fifth Amendment to Credit Agreement, dated as April 24, 2012, by and between InfuSystem Holdings, Inc., InfuSystem, Inc., and First Biomedical, Inc., Bank of America, N.A. as Administrative Agent and Lender and Keybank National Association as Lender (14)
10.11*	Credit Agreement by and between InfuSystem Holdings, Inc., InfuSystem, Inc., and First Biomedical, Inc., with Wells Fargo Bank, National Association as Administrative Agent and Lender and PennantPark Investment Corporation, PennantPark Credit Opportunities Fund, L.P. and PennantPark Floating Rate Capital Ltd as Lenders, dated as of November 30, 2012 †

Exhibit Number	Description of Document
10.12	Limited Waiver granted to Meson Capital and Ryan Morris, dated February 9, 2013 (15)
10.13	Settlement Agreement by and among InfuSystem Holdings, Inc., Kleinheinz Capital Partners, Boston Avenue Partners, and the individuals named therein, dated as of April 24, 2012 (14)
10.14	Employment Agreement, dated as of November 12, 2007, by and between InfuSystem Holdings, Inc. and Janet Skonieczny (16)
10.15	Restricted Stock Award Agreement by and between Jan Skonieczny and InfuSystem Holdings, Inc., dated June 1, 2010 (17)
10.16*	First Amended and Restated Employment Agreement by and between Jan Skonieczny and InfuSystem Holdings, Inc., effective January 2, 2013
10.17	Share Award Agreement by and between InfuSystem Holdings, Inc. and Sean McDevitt, dated as of April 6, 2010 (18)
10.18	Consulting Agreement by and between InfuSystem Holdings, Inc. and Sean McDevitt, dated as of April 24, 2012 (14)
10.19	Restricted Stock Award Agreement between Scott Chesky and InfuSystem Holdings, Inc., dated June 1, 2010 (17)
10.20	Restricted Stock Award Agreement between David Haar and InfuSystem Holdings, Inc., dated June 1, 2010 (17)
10.21	Consulting Agreement between Jonathan P. Foster and InfuSystem Holdings, Inc., dated as of March 16, 2012 (19)
10.22	First Amended Consulting Agreement by and between Jonathan P. Foster and InfuSystem Holdings, Inc., dated as of August 14, 2012 (20)
10.23	Amendment to First Consulting Agreement by and between Jonathan P. Foster and InfuSystem Holdings, Inc., dated February 9, 2013 (15)
10.24	Employment Agreement by and between InfuSystem Holdings, Inc. and Ryan J. Morris, dated as of April 24, 2012 (14)
10.25	Employment Agreement by and between InfuSystem Holdings, Inc. and Dilip Singh, dated as of April 24, 2012 (14)
10.26	Employment Agreement by and between InfuSystem Holdings, Inc. and Dilip Singh, dated as of October 4, 2012 (21)
10.27	Employment Agreement by and between Dilip Singh and InfuSystem Holdings, Inc., dated February 9, 2013 (15)
10.28	Employment Agreement by and between InfuSystem Holdings, Inc. and Eric K. Steen, effective April 1, 2013 (22)
10.29	Inducement Stock Option Agreement by and between InfuSystem Holdings, Inc. and Eric K. Steen, dated as of April 1, 2013 (22)
10.30*	Lease Agreement by and between Research Park Development Co, LLC and InfuSystem, Inc., dated September 13, 2012, for facilities located at 31700 Research Park Drive, Madison Heights, Michigan (23)
14.1	Code of Ethics (23)
21.1*	Subsidiaries of InfuSystem Holdings, Inc.
23.1*	Consent of Deloitte & Touche LLP

Exhibit Number	Description of Document
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended
31.2*	Certification of Principal Accounting Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema Document**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document**

* Filed herewith

** In accordance with Rule 406T of Regulation S-T, the information in these exhibits shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

† Portions of this exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

(1) Incorporated by reference to the Company's Registration Statement on Form S-1 (File No. 333-129035) filed on October 14, 2005.
(2) Incorporated by reference to the Company's Current Report on Form 8-K filed on April 24, 2006.
(3) Incorporated by reference to the Company's Current Report on Form 8-K filed October 31, 2007.
(4) Incorporated by reference to the Company's Current Report on Form 8-K filed on November 12, 2010.
(5) Incorporated by reference to the Company's Current Report on Form 8-K filed on May 31, 2012.
(6) Incorporated by reference to Amendment No. 3 to the Company's Registration Statement on Form S-1 (File No. 333-129035) filed on March 3, 2006.
(7) Incorporated by reference to the Company's Current Report on Form 8-K filed June 8, 2012.
(8) Incorporated by reference to the Company's Registration Statement on Form S-8 (File No. 333-150066) filed on April 3, 2008.
(9) Incorporated by reference to the Company's Annual Report on Form 10-K filed on March 3, 2009.
(10) Incorporated by reference to the Company's Current Report on Form 8-K filed June 18, 2010.
(11) Incorporated by reference to the Company's Annual Report on Form 10-K Filed on March 16, 2013.
(12) Incorporated by reference to the Company's Current Report on Form 8-K filed on April 1, 2011.
(13) Incorporated by reference to the Company's Current Report on Form 8-K filed on July 21, 2011.
(14) Incorporated by reference to the Company's Current Report on Form 8-K filed April 26, 2012.
(15) Incorporated by reference to the Company's Current Report on Form 8-K filed February 12, 2013.
(16) Incorporated by reference to the Company's Current Report on Form 8-K filed on November 16, 2007.
(17) Incorporated by reference to the Company's Registration Statement on Form S-8 (File No. 333-167914) filed on July 1, 2010.

(18) Incorporated by reference to the Company's Current Report on Form 8-K filed April 9, 2010.
(19) Incorporated by reference to the Company's Current Report on Form 8-K filed March 23, 2012.
(20) Incorporated by reference to the Company's Current Report on Form 8-K filed August 17, 2012.
(21) Incorporated by reference to the Company's Current Report on Form 8-K filed October 10, 2012.
(22) Incorporated by reference to the Company's Current Report on Form 8-K filed March 19, 2013.
(23) Incorporated by reference to Amendment No. 2 to the Company's Registration Statement on Form S-1 (File No. 333-129035) filed on January 17, 2006.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

INFUSYSTEM HOLDINGS, INC.

Date: March 28, 2013 By: /s/ DILIP SINGH
Dilip Singh
Chief Executive Officer, President and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated.

Date: March 28, 2013 By: /S/ DILIP SINGH
Dilip Singh
Chief Executive Officer, President and Director
(Principal Executive Officer)

Date: March 28, 2013 /S/ JONATHAN FOSTER
Jonathan Foster
Chief Financial Officer
(Principal Accounting and Financial Officer)

Date: March 28, 2013 /S/ RYAN MORRIS
Ryan Morris
Chairman of the Board Director

Date: March 28, 2013 /S/ JOHN CLIMACO
John Climaco
Director

Date: March 28, 2013 /S/ DAVID DRYER
David Dryer
Director

Date: March 28, 2013 /S/ CHARLES GILLMAN
Charles Gillman
Director

Date: March 28, 2013 /S/ JOSEPH WHITTERS
Joseph Whitters
Director

Date: March 28, 2013 /S/ WAYNE YETTER
Wayne Yetter
Director

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Exhibit 10.11

CREDIT AGREEMENT

by and among

WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Administrative Agent, Lead Arranger, and Book Runner,

THE LENDERS THAT ARE PARTIES HERETO

as the Lenders,

INFUSYSTEM HOLDINGS, INC. as Parent,

INFUSYSTEM HOLDINGS USA, INC., as Holdings,

and

CERTAIN OF PARENT'S SUBSIDIARIES THAT ARE PARTY HERETO

as Borrowers

Dated as of November 30, 2012

**

Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits information subject to the confidentiality request. Omissions are designated with brackets containing two asterisks "[**]". As part of our confidential treatment request, a complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

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CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this "Agreement"), is entered into as of November 30, 2012, by and among the lenders identified on the signature pages hereof (each of such lenders, together with its successors and permitted assigns, is referred to hereinafter as a "Lender", as that term is hereinafter further defined), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as lead arranger (in such capacity, together with its successors and assigns in such capacity, the "Lead Arranger"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as book runner (in such capacity, together with its successors and assigns in such capacity, the "Book Runner"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as syndication agent (in such capacity, together with its successors and assigns in such capacity, the "Syndication Agent"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as documentation agent (in such capacity, together with its successors and assigns in such capacity, the "Documentation Agent"), **INFUSYSTEM HOLDINGS, INC.,** a Delaware corporation ("Parent"), **INFUSYSTEM HOLDINGS USA, INC.**, a Delaware corporation ("Holdings"), **INFUSYSTEM, INC.**, a California corporation ("Infusystem"), **FIRST BIOMEDICAL, INC.**, a Kansas corporation ("FBI"; FBI and Infusystem are referred to hereinafter each individually as a "Borrower", and individually and collectively, jointly and severally, as the "Borrowers").

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions.** Capitalized terms used in this Agreement shall have the meanings specified therefor on Schedule 1.1.

1.2 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP; provided, that if Borrowers notify Agent that Borrowers request an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Closing Date or in the application thereof on the operation of such provision (or if Agent notifies Borrowers that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such Accounting Change or in the application thereof, then Agent and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such Accounting Change with the intent of having the respective positions of the Lenders and Borrowers after such Accounting Change conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement shall be calculated as if no such Accounting Change had occurred. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Parent" or "Borrowers" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. Notwithstanding anything to the contrary contained herein, (a) all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof, and (b) the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that is (i) unqualified, and (ii) does not include any explanation, supplemental comment, or other comment concerning the ability of the applicable Person to continue as a going concern or concerning the scope of the audit

1.3 **Code.** Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein; provided, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 **Construction.** Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean (a) the payment or repayment in full in immediately available funds of (i) the principal amount of, and interest accrued and unpaid with respect to, all outstanding Loans, together with the payment of any premium applicable to the repayment of the Loans, (ii) all Lender Group Expenses that have accrued and are unpaid regardless of whether demand has been made therefor, (iii) all fees or charges that have accrued hereunder or under any other Loan Document (including the Letter of Credit Fee and the Unused Line Fee) and are unpaid, (b) in the case of contingent reimbursement obligations with respect to Letters of Credit, providing Letter of Credit Collateralization, (c) in the case of obligations with respect to Bank Products (other than Hedge Obligations), providing Bank Product Collateralization, (d) the receipt by Agent of cash collateral in order to secure any other contingent Obligations for which a claim or demand for payment has been made on or prior to such time or in respect of matters or circumstances known to Agent or a Lender at such time that are reasonably expected to result in any loss, cost, damage, or expense (including attorneys fees and legal expenses), such cash collateral to be in such amount as Agent reasonably determines is appropriate to secure such contingent Obligations, (e) the payment or repayment in full in immediately available funds of all other outstanding Obligations (including the payment of any termination amount then applicable (or which would or could become applicable as a result of the repayment of the other Obligations) under Hedge Agreements provided by Hedge Providers) other than (i) unasserted contingent indemnification Obligations, (ii) any Bank Product Obligations (other than Hedge Obligations) that, at such time, are allowed by the applicable Bank Product Provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any Hedge Obligations that, at such time, are allowed by the applicable Hedge Provider to remain outstanding without being required to be repaid, and (f) the termination of all of the Commitments of the Lenders. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any requirement of a writing contained herein or in any other Loan Document shall be satisfied by the transmission of a Record. For purposes of this Agreement, each reference (x) in Section 2.4(b)(i) of this Agreement to the apportionment of payments among the Lenders "ratably" and (y) in Section 15.7 to the reimbursement obligations or the indemnification obligations of each Lender in favor of Agent being on a "ratable basis", shall be subject to the terms of, and calculated after giving effect to, any adjustments among the Lenders, if any, pursuant to the terms of the agreement referenced in Section 13.3.

1.5 **Time References.** Unless the context of this Agreement or any other Loan Document clearly requires otherwise, all references to time of day refer to Pacific standard time or Pacific daylight saving time, as in effect in Los Angeles, California on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided that, with respect to a computation of fees or interest payable to Agent or any Lender, such period shall in any event consist of at least one full day.

1.6 **Schedules and Exhibits.** All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

2. **LOANS AND TERMS OF PAYMENT.**

2.1 **Revolving Loans.**

(a) Subject to the terms and conditions of this Agreement, and during the term of this Agreement, each Revolving Lender agrees (severally, not jointly or jointly and severally) to make revolving loans ("Revolving Loans") to Borrowers in an amount at any one time outstanding not to exceed *the lesser of:*

(i) such Lender's Revolver Commitment, or

(ii) such Lender's Pro Rata Share of an amount equal to *the lesser of:*

(A) the amount equal to (1) the Maximum Revolver Amount *less* (2) the sum of (y) the Letter of Credit Usage at such time, *plus* (z) the principal amount of Swing Loans outstanding at such time, and

(B) the amount equal to (1) the Borrowing Base as of such date (based upon the most recent Borrowing Base Certificate delivered by Borrowers to Agent) *less* the sum of (1) the Letter of Credit Usage at such time, *plus* (2) the principal amount of Swing Loans outstanding at such time.

(b) Amounts borrowed pursuant to this Section 2.1 may be repaid and, subject to the terms and conditions of this Agreement, reborrowed at any time during the term of this Agreement. The outstanding principal amount of the Revolving Loans, together with interest accrued and unpaid thereon, shall constitute Obligations and shall be due and payable on the Maturity Date or, if earlier, on the date on which they are declared due and payable pursuant to the terms of this Agreement.

(c) Anything to the contrary in this Section 2.1 notwithstanding, Agent shall have the right (but not the obligation), in the exercise of its Permitted Discretion, to establish and increase or decrease Receivable Reserves, Inventory Reserves, Bank Product Reserves, and other Reserves against the Borrowing Base or the Maximum Revolver Amount or to establish, increase, or decrease the Expected Net Value. The amount of any Receivable Reserve, Inventory Reserve, Bank Product Reserve, or other Reserve established by Agent shall have a reasonable relationship to the event, condition, other circumstance, or fact that is the basis for such reserve and shall not be duplicative of any other reserve established and currently maintained.

2.2 **Term Loans.**

(a) Subject to the terms and conditions of this Agreement, on the Closing Date each Lender with a Term Loan A Commitment agrees (severally, not jointly or jointly and severally) to make term loans (collectively, the "Term Loan A") to Borrowers in an amount equal to such Lender's Pro Rata Share of the Term Loan A Amount. The principal of the Term Loan A shall be repaid on the last day of each fiscal quarter, commencing with the fiscal quarter ending March 31, 2013, by an amount equal to $600,000 per quarter. The outstanding unpaid principal balance and all accrued and unpaid interest on the Term Loan A shall be due and payable on the earlier of (i) the Maturity Date, and (ii) the date of the acceleration of the Term Loan A in accordance with the terms hereof. Any principal amount of the Term Loan A that is repaid or prepaid may not be reborrowed. All principal of, interest on, and other amounts payable in respect of the Term Loan A shall constitute Obligations hereunder.

(b) Subject to the terms and conditions of this Agreement, on the Closing Date each Lender with a Term Loan B Commitment agrees (severally, not jointly or jointly and severally) to make term loans (collectively, the "Term Loan B" and together with the Term Loan A, the "Term Loans") to Borrowers in an amount equal to such Lender's Pro Rata Share of the Term Loan B Amount. The principal of the Term Loan B shall be repaid on the last day of each fiscal quarter, commencing with the first fiscal quarter following the date on which the Term Loan A (including accrued and unpaid interest thereon) has been repaid in full in immediately

available funds, by an amount equal to $600,000 per quarter; provided, however, that, no such quarterly payment of the Term Loan B shall be made or be required to be made (y) if a Default or an Event of Default has occurred and is continuing or would result after giving effect to such payment or (z) Borrowers would have Excess Availability of less than $3,000,000 after giving effect to such payment, and instead such quarterly payment shall be deferred and required to be paid on the first date thereafter when the conditions set forth in clauses (y) and (z) of this proviso can be satisfied at the time of (and after giving effect to) such payment. The outstanding unpaid principal balance and all accrued and unpaid interest on the Term Loan B shall be due and payable on the earlier of (i) the Maturity Date, and (ii) the date of the acceleration of the Term Loan B in accordance with the terms hereof. Any principal amount of the Term Loan B that is repaid or prepaid may not be reborrowed. All principal of, interest on, and other amounts payable in respect of the Term Loan B shall constitute Obligations hereunder.

2.3 **Borrowing Procedures and Settlements.**

(a) **Procedure for Borrowing Revolving Loans.** Each Borrowing shall be made by a written request by an Authorized Person delivered to Agent and received by Agent no later than 10:00 a.m. (i) on the Business Day that is the requested Funding Date in the case of a request for a Swing Loan, and (ii) on the Business Day that is 1 Business Day prior to the requested Funding Date in the case of all other requests, specifying (A) the amount of such Borrowing, and (B) the requested Funding Date (which shall be a Business Day); provided, that Agent may, in its sole discretion, elect to accept as timely requests that are received later than 10:00 a.m. on the applicable Business Day. At Agent's election, in lieu of delivering the above-described written request, any Authorized Person may give Agent telephonic notice of such request by the required time. In such circumstances, Borrowers agree that any such telephonic notice will be confirmed in writing within 24 hours of the giving of such telephonic notice, but the failure to provide such written confirmation shall not affect the validity of the request.

(b) **Making of Swing Loans.** In the case of a request for a Revolving Loan and so long as either (i) the aggregate amount of Swing Loans made since the last Settlement Date, *minus* all payments or other amounts applied to Swing Loans since the last Settlement Date, plus the amount of the requested Swing Loan does not exceed $2,500,000, or (ii) Swing Lender, in its sole discretion, agrees to make a Swing Loan notwithstanding the foregoing limitation, Swing Lender shall make a Revolving Loan (any such Revolving Loan made by Swing Lender pursuant to this Section 2.3(b) being referred to as a "Swing Loan" and all such Revolving Loans being referred to as "Swing Loans") available to Borrowers on the Funding Date applicable thereto by transferring immediately available funds in the amount of such requested Borrowing to the Designated Account. Each Swing Loan shall be deemed to be a Revolving Loan hereunder and shall be subject to all the terms and conditions (including Section 3) applicable to other Revolving Loans, except that all payments (including interest) on any Swing Loan shall be payable to Swing Lender solely for its own account. Subject to the provisions of Section 2.3(d)(ii), Swing Lender shall not make and shall not be obligated to make any Swing Loan if Swing Lender has actual knowledge that (i) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing, or (ii) the requested Borrowing would exceed the Availability on such Funding Date. Swing Lender shall not otherwise be required to determine whether the applicable conditions precedent set forth in Section 3 have been satisfied on the Funding Date applicable thereto prior to making any Swing Loan. The Swing Loans shall be secured by Agent's Liens, constitute Revolving Loans and Obligations, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans.

(c) **Making of Revolving Loans.**

(i) In the event that Swing Lender is not obligated to make a Swing Loan, then after receipt of a request for a Borrowing pursuant to Section 2.3(a), Agent shall notify the Lenders by telecopy, telephone, email, or other electronic form of transmission, of the requested Borrowing; such notification to be sent on the Business Day that is 1 Business Day prior to the requested Funding Date. If Agent has notified the Lenders of a requested Borrowing on the Business Day that is 1 Business Day prior to the Funding Date, then each Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to Agent's Account, not later than 10:00 a.m. on the Business Day that is the

requested Funding Date. After Agent's receipt of the proceeds of such Revolving Loans from the Lenders, Agent shall make the proceeds thereof available to Borrowers on the applicable Funding Date by transferring immediately available funds equal to such proceeds received by Agent to the Designated Account; provided, that, subject to the provisions of Section 2.3(d)(ii), no Lender shall have an obligation to make any Revolving Loan, if (1) one or more of the applicable conditions precedent set forth in Section 3 will not be satisfied on the requested Funding Date for the applicable Borrowing unless such condition has been waived, or (2) the requested Borrowing would exceed the Availability on such Funding Date.

(ii) Unless Agent receives notice from a Lender prior to 9:30 a.m. on the Business Day that is the requested Funding Date relative to a requested Borrowing as to which Agent has notified the Lenders of a requested Borrowing that such Lender will not make available as and when required hereunder to Agent for the account of Borrowers the amount of that Lender's Pro Rata Share of the Borrowing, Agent may assume that each Lender has made or will make such amount available to Agent in immediately available funds on the Funding Date and Agent may (but shall not be so required), in reliance upon such assumption, make available to Borrowers a corresponding amount. If, on the requested Funding Date, any Lender shall not have remitted the full amount that it is required to make available to Agent in immediately available funds and if Agent has made available to Borrowers such amount on the requested Funding Date, then such Lender shall make the amount of such Lender's Pro Rata Share of the requested Borrowing available to Agent in immediately available funds, to Agent's Account, no later than 10:00 a.m. on the Business Day that is the first Business Day after the requested Funding Date (in which case, the interest accrued on such Lender's portion of such Borrowing for the Funding Date shall be for Agent's separate account). If any Lender shall not remit the full amount that it is required to make available to Agent in immediately available funds as and when required hereby and if Agent has made available to Borrowers such amount, then that Lender shall be obligated to immediately remit such amount to Agent, together with interest at the Defaulting Lender Rate for each day until the date on which such amount is so remitted. A notice submitted by Agent to any Lender with respect to amounts owing under this Section 2.3(c)(ii) shall be conclusive, absent manifest error. If the amount that a Lender is required to remit is made available to Agent, then such payment to Agent shall constitute such Lender's Revolving Loan for all purposes of this Agreement. If such amount is not made available to Agent on the Business Day following the Funding Date, Agent will notify Borrowers of such failure to fund and, upon demand by Agent, Borrowers shall pay such amount to Agent for Agent's account, together with interest thereon for each day elapsed since the date of such Borrowing, at a rate per annum equal to the interest rate applicable at the time to the Revolving Loans composing such Borrowing.

(d) **Protective Advances and Optional Overadvances.**

(i) Any contrary provision of this Agreement or any other Loan Document notwithstanding, at any time (A) after the occurrence and during the continuance of a Default or an Event of Default, or (B) that any of the other applicable conditions precedent set forth in Section 3 are not satisfied, Agent hereby is authorized by Borrowers and the Lenders, from time to time, in Agent's sole discretion, to make Revolving Loans to, or for the benefit of, Borrowers, on behalf of the Revolving Lenders, that Agent, in its Permitted Discretion, deems necessary or desirable (1) to preserve or protect the Collateral, or any portion thereof, or (2) to enhance the likelihood of repayment of the Obligations (other than the Bank Product Obligations) (the Revolving Loans described in this Section 2.3(d)(i) shall be referred to as "Protective Advances").

(ii) Any contrary provision of this Agreement or any other Loan Document notwithstanding, the Lenders hereby authorize Agent or Swing Lender, as applicable, and either Agent or Swing Lender, as applicable, may, but is not obligated to, knowingly and intentionally, continue to make Revolving Loans (including Swing Loans) to Borrowers notwithstanding that an Overadvance exists or would be created thereby, so long as (A) after giving effect to such Revolving Loans, the outstanding Revolver Usage does not exceed the Borrowing Base by more than $2,500,000 and (B) after giving effect to such Revolving Loans, the outstanding Revolver Usage (except for and excluding amounts charged to the Loan Account for interest, fees, or Lender Group Expenses) does not exceed the Maximum Revolver Amount. In the event Agent obtains actual knowledge that the Revolver Usage exceeds the amounts permitted by the immediately foregoing provisions, regardless of the amount of, or reason for, such excess, Agent shall notify the Lenders as soon as practicable (and prior to making any (or

any additional) intentional Overadvances (except for and excluding amounts charged to the Loan Account for interest, fees, or Lender Group Expenses) unless Agent determines that prior notice would result in imminent harm to the Collateral or its value, in which case Agent may make such Overadvances and provide notice as promptly as practicable thereafter), and the Lenders with Revolver Commitments thereupon shall, together with Agent, jointly determine the terms of arrangements that shall be implemented with Borrowers intended to reduce, within a reasonable time, the outstanding principal amount of the Revolving Loans to Borrowers to an amount permitted by the preceding sentence. In such circumstances, if any Lender with a Revolver Commitment objects to the proposed terms of reduction or repayment of any Overadvance, the terms of reduction or repayment thereof shall be implemented according to the determination of the Required Lenders. The foregoing provisions are meant for the benefit of the Lenders and Agent and are not meant for the benefit of Borrowers, which shall continue to be bound by the provisions of Section 2.4(e)(1). Each Lender with a Revolver Commitment shall be obligated to settle with Agent as provided in Section 2.3(e) (or Section 2.3(g), as applicable) for the amount of such Lender's Pro Rata Share of any unintentional Overadvances by Agent reported to such Lender, any intentional Overadvances made as permitted under this Section 2.3(d)(ii), and any Overadvances resulting from the charging to the Loan Account of interest, fees, or Lender Group Expenses.

(iii) Each Protective Advance and each Overadvance (each, an "Extraordinary Advance") shall be deemed to be a Revolving Loan hereunder, except that no Extraordinary Advance shall be eligible to be a LIBOR Rate Loan and, prior to Settlement therefor, all payments on the Extraordinary Advances shall be payable to Agent solely for its own account. The Extraordinary Advances shall be repayable on demand, secured by Agent's Liens, constitute Obligations hereunder, and bear interest at the rate applicable from time to time to Revolving Loans that are Base Rate Loans. The provisions of this Section 2.3(d) are for the exclusive benefit of Agent, Swing Lender, and the Lenders and are not intended to benefit Borrowers (or any other Loan Party) in any way.

(e) **Settlement.** It is agreed that each Lender's funded portion of the Revolving Loans is intended by the Lenders to equal, at all times, such Lender's Pro Rata Share of the outstanding Revolving Loans. Such agreement notwithstanding, Agent, Swing Lender, and the other Lenders agree (which agreement shall not be for the benefit of Borrowers) that in order to facilitate the administration of this Agreement and the other Loan Documents, settlement among the Lenders as to the Revolving Loans, the Swing Loans, and the Extraordinary Advances shall take place on a periodic basis in accordance with the following provisions:

(i) Agent shall request settlement ("Settlement") with the Lenders on a weekly basis, or on a more frequent basis if so determined by Agent in its sole discretion (1) on behalf of Swing Lender, with respect to the outstanding Swing Loans, (2) for itself, with respect to the outstanding Extraordinary Advances, and (3) with respect to Borrowers' or any of their Subsidiaries' payments or other amounts received, as to each by notifying the Lenders by telecopy, telephone, or other similar form of transmission, of such requested Settlement, no later than 2:00 p.m. on the Business Day immediately prior to the date of such requested Settlement (the date of such requested Settlement being the "Settlement Date"). Such notice of a Settlement Date shall include a summary statement of the amount of outstanding Revolving Loans, Swing Loans, and Extraordinary Advances for the period since the prior Settlement Date. Subject to the terms and conditions contained herein (including Section 2.3(g)): (y) if the amount of the Revolving Loans (including Swing Loans, and Extraordinary Advances) made by a Lender that is not a Defaulting Lender exceeds such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans, and Extraordinary Advances) as of a Settlement Date, then Agent shall, by no later than 12:00 p.m. on the Settlement Date, transfer in immediately available funds to a Deposit Account of such Lender (as such Lender may designate), an amount such that each such Lender shall, upon receipt of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans, and Extraordinary Advances), and (z) if the amount of the Revolving Loans (including Swing Loans, and Extraordinary Advances) made by a Lender is less than such Lender's Pro Rata Share of the Revolving Loans (including Swing Loans, and Extraordinary Advances) as of a Settlement Date, such Lender shall no later than 12:00 p.m. on the Settlement Date transfer in immediately available funds to Agent's Account, an amount such that each such Lender shall, upon transfer of such amount, have as of the Settlement Date, its Pro Rata Share of the Revolving Loans (including Swing Loans and Extraordinary Advances). Such amounts made available to Agent under clause (z) of the immediately preceding

sentence shall be applied against the amounts of the applicable Swing Loans or Extraordinary Advances and, together with the portion of such Swing Loans or Extraordinary Advances representing Swing Lender's Pro Rata Share thereof, shall constitute Revolving Loans of such Lenders. If any such amount is not made available to Agent by any Lender on the Settlement Date applicable thereto to the extent required by the terms hereof, Agent shall be entitled to recover for its account such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate.

(ii) In determining whether a Lender's balance of the Revolving Loans, Swing Loans, and Extraordinary Advances is less than, equal to, or greater than such Lender's Pro Rata Share of the Revolving Loans, Swing Loans, and Extraordinary Advances as of a Settlement Date, Agent shall, as part of the relevant Settlement, apply to such balance the portion of payments actually received in good funds by Agent with respect to principal, interest, fees payable by Borrowers and allocable to the Lenders hereunder, and proceeds of Collateral.

(iii) Between Settlement Dates, Agent, to the extent Extraordinary Advances or Swing Loans are outstanding, may pay over to Agent or Swing Lender, as applicable, any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to the Extraordinary Advances or Swing Loans. Between Settlement Dates, Agent, to the extent no Extraordinary Advances or Swing Loans are outstanding, may pay over to Swing Lender any payments or other amounts received by Agent, that in accordance with the terms of this Agreement would be applied to the reduction of the Revolving Loans, for application to Swing Lender's Pro Rata Share of the Revolving Loans. If, as of any Settlement Date, payments or other amounts of Parent or its Subsidiaries received since the then immediately preceding Settlement Date have been applied to Swing Lender's Pro Rata Share of the Revolving Loans other than to Swing Loans, as provided for in the previous sentence, Swing Lender shall pay to Agent for the accounts of the Lenders, and Agent shall pay to the Lenders (other than a Defaulting Lender if Agent has implemented the provisions of Section 2.3(g)), to be applied to the outstanding Revolving Loans of such Lenders, an amount such that each such Lender shall, upon receipt of such amount, have, as of such Settlement Date, its Pro Rata Share of the Revolving Loans. During the period between Settlement Dates, Swing Lender with respect to Swing Loans, Agent with respect to Extraordinary Advances, and each Lender with respect to the Revolving Loans other than Swing Loans and Extraordinary Advances, shall be entitled to interest at the applicable rate or rates payable under this Agreement on the daily amount of funds employed by Swing Lender, Agent, or the Lenders, as applicable.

(iv) Anything in this Section 2.3(e) to the contrary notwithstanding, in the event that a Lender is a Defaulting Lender, Agent shall be entitled to refrain from remitting settlement amounts to the Defaulting Lender and, instead, shall be entitled to elect to implement the provisions set forth in Section 2.3(g).

(f) **Notation.** Agent, as a non-fiduciary agent for Borrowers, shall maintain a register showing the principal amount of the Revolving Loans (and portion of the Term Loan A and the Term Loan B, as applicable), owing to each Lender, including the Swing Loans owing to Swing Lender, and Extraordinary Advances owing to Agent, and the interests therein of each Lender, from time to time and such register shall, absent manifest error, conclusively be presumed to be correct and accurate.

(g) **Defaulting Lenders.**

(i) Notwithstanding the provisions of Section 2.4(b)(ii), Agent shall not be obligated to transfer to a Defaulting Lender any payments made by Borrowers to Agent for the Defaulting Lender's benefit or any proceeds of Collateral that would otherwise be remitted hereunder to the Defaulting Lender, and, in the absence of such transfer to the Defaulting Lender, Agent shall transfer any such payments (A) first, to Swing Lender to the extent of any Swing Loans that were made by Swing Lender and that were required to be, but were not, paid by the Defaulting Lender, (B) second, to Issuing Bank, to the extent of the portion of a Letter of Credit Disbursement that was required to be, but was not, paid by the Defaulting Lender, (C) third, to each Non-Defaulting Lender ratably in accordance with their Commitments (but, in each case, only to the extent that such Defaulting Lender's portion of a Revolving Loan (or other funding obligation) was funded by such other Non-Defaulting Lender), (D) to a suspense

account maintained by Agent, the proceeds of which shall be retained by Agent and may be made available to be re-advanced to or for the benefit of Borrowers (upon the request of Borrowers and subject to the conditions set forth in Section 3.2) as if such Defaulting Lender had made its portion of Revolving Loans (or other funding obligations) hereunder, and (E) from and after the date on which all other Obligations have been paid in full, to such Defaulting Lender in accordance with tier (P) of Section 2.4(b)(ii). Subject to the foregoing, Agent may hold and, in its discretion, re-lend to Borrowers for the account of such Defaulting Lender the amount of all such payments received and retained by Agent for the account of such Defaulting Lender. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents (including the calculation of Pro Rata Share in connection therewith) and for the purpose of calculating the fee payable under Section 2.10(b), such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Commitment shall be deemed to be zero; provided, that the foregoing shall not apply to any of the matters governed by Section 14.1(a)(i) through (iii). The provisions of this Section 2.3(g) shall remain effective with respect to such Defaulting Lender until the earlier of (y) the date on which all of the Non-Defaulting Lenders, Agent, Issuing Bank, and Borrowers shall have waived, in writing, the application of this Section 2.3(g) to such Defaulting Lender, or (z) the date on which such Defaulting Lender makes payment of all amounts that it was obligated to fund hereunder, pays to Agent all amounts owing by Defaulting Lender in respect of the amounts that it was obligated to fund hereunder, and, if requested by Agent, provides adequate assurance of its ability to perform its future obligations hereunder (on which earlier date, so long as no Event of Default has occurred and is continuing, any remaining cash collateral held by Agent pursuant to Section 2.3(g)(ii) shall be released to Borrowers). The operation of this Section 2.3(g) shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Borrower of its duties and obligations hereunder to Agent, Issuing Bank, or to the Lenders other than such Defaulting Lender. Any failure by a Defaulting Lender to fund amounts that it was obligated to fund hereunder shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle Borrowers, at their option, upon written notice to Agent, to arrange for a substitute Lender to assume the Commitment of such Defaulting Lender, such substitute Lender to be reasonably acceptable to Agent. In connection with the arrangement of such a substitute Lender, the Defaulting Lender shall have no right to refuse to be replaced hereunder, and agrees to execute and deliver a completed form of Assignment and Acceptance in favor of the substitute Lender (and agrees that it shall be deemed to have executed and delivered such document if it fails to do so) subject only to being paid its share of the outstanding Obligations (other than Bank Product Obligations, but including (1) all interest, fees, and other amounts that may be due and payable in respect thereof, and (2) an assumption of its Pro Rata Share of its participation in the Letters of Credit); provided, that any such assumption of the Commitment of such Defaulting Lender shall not be deemed to constitute a waiver of any of the Lender Groups' or Borrowers' rights or remedies against any such Defaulting Lender arising out of or in relation to such failure to fund. In the event of a direct conflict between the priority provisions of this Section 2.3(g) and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.3(g) shall control and govern.

(ii) If any Swing Loan or Letter of Credit is outstanding at the time that a Lender becomes a Defaulting Lender then:

(A) such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares but only to the extent (x) the sum of all Non-Defaulting Lenders' Revolving Loan Exposures plus such Defaulting Lender's Swing Loan Exposure and Letter of Credit Exposure does not exceed the total of all Non-Defaulting Lenders' Revolver Commitments and (y) the conditions set forth in Section 3.2 are satisfied at such time;

(B) if the reallocation described in clause (A) above cannot, or can only partially, be effected, Borrowers shall within one Business Day following notice by the Agent (x) first, prepay such Defaulting Lender's Swing Loan Exposure (after giving effect to any partial reallocation pursuant to clause (A)

above) and (y) second, cash collateralize such Defaulting Lender's Letter of Credit Exposure (after giving effect to any partial reallocation pursuant to clause (A) above), pursuant to a cash collateral agreement to be entered into in form and substance reasonably satisfactory to the Agent, for so long as such Letter of Credit Exposure is outstanding; provided, that Borrowers shall not be obligated to cash collateralize any Defaulting Lender's Letter of Credit Exposure if such Defaulting Lender is also the Issuing Bank;

(C) if Borrowers cash collateralize any portion of such Defaulting Lender's Letter of Credit Exposure pursuant to this Section 2.3(g)(ii), Borrowers shall not be required to pay any Letter of Credit Fees to Agent for the account of such Defaulting Lender pursuant to Section 2.6(b) with respect to such cash collateralized portion of such Defaulting Lender's Letter of Credit Exposure during the period such Letter of Credit Exposure is cash collateralized;

(D) to the extent the Letter of Credit Exposure of the Non-Defaulting Lenders is reallocated pursuant to this Section 2.3(g)(ii), then the Letter of Credit Fees payable to the Non-Defaulting Lenders pursuant to Section 2.6(b) shall be adjusted in accordance with such Non-Defaulting Lenders' Letter of Credit Exposure;

(E) to the extent any Defaulting Lender's Letter of Credit Exposure is neither cash collateralized nor reallocated pursuant to this Section 2.3(g)(ii), then, without prejudice to any rights or remedies of the Issuing Bank or any Lender hereunder, all Letter of Credit Fees that would have otherwise been payable to such Defaulting Lender under Section 2.6(b) with respect to such portion of such Letter of Credit Exposure shall instead be payable to the Issuing Bank until such portion of such Defaulting Lender's Letter of Credit Exposure is cash collateralized or reallocated;

(F) so long as any Lender is a Defaulting Lender, the Swing Lender shall not be required to make any Swing Loan and the Issuing Bank shall not be required to issue, amend, or increase any Letter of Credit, in each case, to the extent (x) the Defaulting Lender's Pro Rata Share of such Swing Loans or Letter of Credit can not be reallocated pursuant to this Section 2.3(g)(ii) or (y) the Swing Lender or Issuing Bank, as applicable, has not otherwise entered into arrangements reasonably satisfactory to the Swing Lender or Issuing Bank, as applicable, and Borrowers to eliminate the Swing Lender's or Issuing Bank's risk with respect to the Defaulting Lender's participation in Swing Loans or Letters of Credit; and

(G) Agent may release any cash collateral provided by Borrowers pursuant to this Section 2.3(g)(ii) to the Issuing Bank and the Issuing Bank may apply any such cash collateral to the payment of such Defaulting Lender's Pro Rata Share of any Letter of Credit Disbursement that is not reimbursed by Borrowers pursuant to Section 2.11(d).

(h) **Independent Obligations.** All Revolving Loans (other than Swing Loans and Extraordinary Advances) shall be made by the Lenders contemporaneously and in accordance with their Pro Rata Shares. It is understood that (i) no Lender shall be responsible for any failure by any other Lender to perform its obligation to make any Revolving Loan (or other extension of credit) hereunder, nor shall any Commitment of any Lender be increased or decreased as a result of any failure by any other Lender to perform its obligations hereunder, and (ii) no failure by any Lender to perform its obligations hereunder shall excuse any other Lender from its obligations hereunder.

2.4 **Payments; Reductions of Commitments; Prepayments.**

(a) **Payments by Borrowers.**

(i) Except as otherwise expressly provided herein, all payments by Borrowers shall be made to Agent's Account for the account of the Lender Group and shall be made in immediately available funds, no later than 1:30 p.m. on the date specified herein. Any payment received by Agent later than 1:30 p.m. shall be deemed to have been received (unless Agent, in its sole discretion, elects to credit it on the date received) on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from Borrowers prior to the date on which any payment is due to the Lenders that Borrowers will not make such payment in full as and when required, Agent may assume that Borrowers have made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers do not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the Defaulting Lender Rate for each day from the date such amount is distributed to such Lender until the date repaid.

(b) **Apportionment and Application.**

(i) So long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account or for the separate account of Issuing Bank) shall be apportioned ratably among the Lenders having a Pro Rata Share of the type of Commitment or Obligation to which a particular fee or expense relates. Subject to Section 2.4(b)(iv), Section 2.4(d)(ii), and Section 2.4(e), all payments to be made hereunder by Borrowers shall be remitted to Agent and all such payments, and all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, to reduce the balance of the Revolving Loans outstanding and, thereafter, to Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(ii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all payments remitted to Agent and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents, until paid in full,

(B) second, to pay any fees or premiums then due to Agent under the Loan Documents until paid in full,

(C) third, to pay interest due in respect of all Protective Advances until paid in full; provided, however, that, if any Major Application Event has occurred and is continuing at the time of application pursuant to this Section 2.4(b)(ii), then any amounts, if any, payable to Term Loan B Lenders (whether pursuant to the terms of the agreement referenced in Section 13.3 or otherwise) on account of interest accrued on the Protective Advances, shall not be paid pursuant to this item "third" and instead shall be deferred to item "thirteenth" below,

(D) fourth, to pay the principal of all Protective Advances until paid in full,

(E) fifth, ratably, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents, until paid in full; provided, however, that, if any Major Application Event has occurred and is continuing at the time of application pursuant to this Section 2.4(b)(ii), then any Lender Group Expenses (including cost or expense reimbursements) or indemnities in excess of $350,000 in the aggregate (after taking into account any amounts previously paid to any of the Term Loan B Lenders pursuant to this clause "fifth" during the continuation of a Major Application Event) then due to any of the Term Loan B Lenders under the Loan Documents shall not be paid pursuant to this item "fifth" and instead shall be deferred to item "eleventh" below,

(F) sixth, ratably, to pay any fees or premiums then due to any of the Lenders under the Loan Documents until paid in full; provided, however, that, if any Major Application Event has occurred and is continuing at the time of application pursuant to this Section 2.4(b)(ii), then any fees or premiums then due to any of the Term Loan B Lenders under the Loan Documents shall not be paid pursuant to this item "sixth" and instead shall be deferred to item "twelfth" below,

(G) seventh, to pay interest accrued in respect of the Swing Loans until paid in full,

(H) eighth, to pay the principal of all Swing Loans until paid in full,

(I) ninth, ratably, to pay interest accrued in respect of the Revolving Loans (other than Protective Advances), the Term Loan A and the Term Loan B until paid in full; provided, however, that, if any Major Application Event has occurred and is continuing at the time of application pursuant to this Section 2.4(b)(ii), then any interest accrued in respect of the Term Loan B (and any other amounts otherwise payable to Term Loan B Lenders on account of interest accrued on any of the Obligations Lenders (whether pursuant to the terms of the agreement referenced in Section 13.3 or otherwise)) shall not be paid pursuant to this item "ninth" and instead shall be deferred to item "thirteenth" below,

(J) tenth, ratably

a. ratably, to pay the principal of all Revolving Loans and the Term Loan A (in the inverse order of the maturity of the installments due thereunder),

b. to Agent, to be held by Agent, for the benefit of Issuing Bank (and for the ratable benefit of each of the Lenders that have an obligation to pay to Agent, for the account of Issuing Bank, a share of each Letter of Credit Disbursement), as cash collateral in an amount up to 105% of the Letter of Credit Usage (to the extent permitted by applicable law, such cash collateral shall be applied to the reimbursement of any Letter of Credit Disbursement as and when such disbursement occurs and, if a Letter of Credit expires undrawn, the cash collateral held by Agent in respect of such Letter of Credit shall, to the extent permitted by applicable law, be reapplied pursuant to this Section 2.4(b)(ii), beginning with tier (A) hereof),

c. ratably, to (y) the Bank Product Providers based upon amounts then certified by the applicable Bank Product Provider to Agent (in form and substance satisfactory to Agent) to be due and payable to such Bank Product Providers on account of Bank Product Obligations, and (z) to be paid to Agent, to be held by Agent, for the ratable benefit of the Bank Product Providers, in an amount determined by Agent as sufficient to satisfy the reasonably estimated credit exposure with respect to the then existing Bank Product Obligations as cash collateral (which cash collateral may be released by Agent to the applicable Bank Product Provider and applied by such Bank Product Provider to the payment or reimbursement of any amounts due and payable with respect to Bank Product Obligations owed to the applicable Bank Product Provider as and when such amounts first become due and payable and, if and at such time as all such Bank Product Obligations are paid or otherwise satisfied in full, the cash collateral held by Agent in respect of such Bank Product Obligations shall be reapplied pursuant to this Section 2.4(b)(ii), beginning with tier (A) hereof),

(K) eleventh, ratably, to the extent deferred to this clause "eleventh" by operation of the proviso in clause "fifth" above, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Term Loan B Lenders under the Loan Documents, until paid in full,

(L) twelfth, ratably, to the extent deferred to this clause "twelfth" by operation of the proviso in clause "sixth" above, to pay any fees or premiums then due to any of the Term Loan B Lenders under the Loan Documents until paid in full,

(M) thirteenth, to the extent deferred to this clause "thirteenth" by operation of the proviso in clause "ninth" above, to pay interest accrued in respect of the Term Loan B (and any other amounts otherwise payable to Term Loan B Lenders on account of interest accrued on any of the Obligations) until paid in full,

(N) fourteenth, to pay the principal of the Term Loan B (in the inverse order of the maturity of the installments due thereunder) until paid in full,

(O) fifteenth, to pay any other Obligations other than Obligations owed to Defaulting Lenders until paid in full,

(P) sixteenth, ratably to pay any Obligations owed to Defaulting Lenders until paid in full, and

(Q) seventeenth, to Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(iii) Agent promptly shall distribute to each Lender, pursuant to the applicable wire instructions received from each Lender in writing, such funds as it may be entitled to receive, subject to a Settlement delay as provided in Section 2.3(e).

(iv) In each instance, so long as no Application Event has occurred and is continuing, Section 2.4(b)(i) shall not apply to any payment made by Borrowers to Agent and specified by Borrowers to be for the payment of specific Obligations then due and payable (or prepayable) (and expressly permitted at that time to be so paid/applied) under any provision of this Agreement or any other Loan Document. The foregoing to the contrary notwithstanding, this Section 2.4(b)(iv) does not, and shall not, permit Borrowers to specify to Agent that a payment be for the payment of all or any portion of the principal amount of the Term Loan B, and no such request by Borrower shall be given any force or effect under this Agreement, except to the extent that such payment of the principal amount of the Term Loan B is expressly permitted at such time to be applied to the Term Loan B pursuant to the provisions of Section 2.4(d)(ii)(B) or Section 2.4(f).

(v) For purposes of Section 2.4(b)(ii), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, irrespective of whether any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(vi) In the event of a direct conflict between the priority provisions of this Section 2.4 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, if the conflict relates to the provisions of Section 2.3(g) and this Section 2.4, then the provisions of Section 2.3(g) shall control and govern, and if otherwise, then the terms and provisions of this Section 2.4 shall control and govern.

(c) **Reduction of Commitments.**

(i) **Revolver Commitments.** The Revolver Commitments shall terminate on the Maturity Date. Borrowers may reduce the Revolver Commitments to an amount (which may be zero) not less than the sum of (A) the Revolver Usage as of such date, plus (B) the principal amount of all Revolving Loans not yet made as to which a request has been given by Borrowers under Section 2.3(a), plus (C) the amount of all Letters of

Credit not yet issued as to which a request has been given by Borrowers pursuant to Section 2.11(a). Each such reduction shall be in an amount which is not less than $2,500,000 (unless the Revolver Commitments are being reduced to zero and the amount of the Revolver Commitments in effect immediately prior to such reduction are less than $2,500,000) shall be made by providing not less than 10 Business Days prior written notice to Agent, and shall be irrevocable. Once reduced, the Revolver Commitments may not be increased. Each such reduction of the Revolver Commitments shall reduce the Revolver Commitments of each Lender proportionately in accordance with its ratable share thereof.

(ii) **Term Loan A Commitments.** The Term Loan A Commitments shall terminate upon the making of the Term Loan A.

(iii) **Term Loan B Commitments.** The Term Loan B Commitments shall terminate upon the making of the Term Loan B.

(d) **Optional Prepayments.**

(i) **Revolving Loans.** Borrowers may prepay the principal of any Revolving Loan at any time in whole or in part, without premium or penalty.

(ii) **Term Loans.**

(A) Borrowers may, upon at least 10 Business Days prior written notice to Agent, prepay the principal of the Term Loan A, in whole or in part. Each prepayment made pursuant to this Section 2.4(d)(ii)(A) shall be accompanied by the payment of accrued interest to the date of such payment on the amount prepaid. Each such prepayment shall be applied against the remaining installments of principal due on the Term Loan A in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

(B) If (1) prior to giving effect to such prepayment, the Term Loan A (including accrued and unpaid interest thereof) has been repaid in full in immediately available funds, (2) no Default or Event of Default has occurred and is continuing or would result therefrom, and (3) Borrowers would have Excess Availability of not less than $3,000,000 before and after giving effect to such prepayment, then Borrowers may, upon at least 10 Business Days prior written notice to Agent, prepay the principal of the Term Loan B, in whole or in part. Each prepayment made pursuant to this Section 2.4(d)(ii)(B) shall be accompanied by the payment of accrued interest to the date of such payment on the amount prepaid. Each such prepayment shall be applied against the remaining installments of principal due on the Term Loan B in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

(e) **Mandatory Prepayments.**

(i) **Borrowing Base.** If, at any time, (A) the Revolver Usage on such date exceeds (B) the Borrowing Base reflected in the Borrowing Base Certificate most recently delivered by Borrowers to Agent, then Borrowers shall immediately prepay the Obligations in accordance with Section 2.4(f)(i) in an aggregate amount equal to the amount of such excess.

(ii) **Dispositions.** Within 1 Business Day of the date of receipt by Parent or any of its Subsidiaries of the Net Cash Proceeds of any voluntary or involuntary sale or disposition by Parent or any of its Subsidiaries of assets (including casualty losses or condemnations but excluding sales or dispositions which qualify as Permitted Dispositions under clauses (a), (b)(ii), (c), (d), (e), (i), (j), (k), (l), (m), or (n) of the definition of Permitted Dispositions), Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of such Net Cash Proceeds (including condemnation awards and payments in lieu thereof) received by such Person in connection with such sales or dispositions; provided that, other than with respect to Net Cash Proceeds from the disposition of Fixed Assets in reliance on clause (b) of the definition of Permitted Dispositions (which shall be subject to the reinvestment conditions set forth in clause (b)(i)

of the definition of Permitted Dispositions), so long as (A) no Default or Event of Default shall have occurred and is continuing or would result therefrom, (B) such Borrower shall have given Agent prior written notice of such Borrower's intention to apply such monies to the costs of replacement of the properties or assets that are the subject of such sale or disposition or the cost of purchase or construction of other assets useful in the business of Parent or its Subsidiaries, (C) the monies are held in a Deposit Account in which Agent has a perfected first-priority security interest, and (D) Parent or its Subsidiaries, as applicable, complete such replacement, purchase, or construction within 180 days (or 365 days in the case of any involuntary disposition resulting from a casualty loss or condemnation) after the initial receipt of such monies, then the Loan Party whose assets were the subject of such disposition shall have the option to apply such monies to the costs of replacement of the assets that are the subject of such sale or disposition or the costs of purchase or construction of other assets useful in the business of such Loan Party unless and to the extent that such applicable period shall have expired without such replacement, purchase, or construction being made or completed, in which case, any amounts remaining in the Deposit Account referred to in clause (C) above shall be paid to Agent and applied in accordance with Section 2.4(f)(ii); provided, that no Borrower nor any of its Subsidiaries shall have the right to use such Net Cash Proceeds to make such replacements, purchases, or construction in excess of $500,000 in any given fiscal year; provided, further, with respect to Net Cash Proceeds of Fixed Assets as to which Borrower elected to reinvest in reliance on clause (b)(i) of the definition of Permitted Dispositions but as to which the applicable period shall have expired without such replacement or purchase being made or completed, an amount equal to such Net Cash Proceeds shall be paid to Agent and applied in accordance with Section 2.4(f)(ii). Nothing contained in this Section 2.4(e)(ii) shall permit Parent or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 6.4.

(iii) **Extraordinary Receipts.** Within 1 Business Day of the date of receipt by Parent or any of its Subsidiaries of any Extraordinary Receipts, Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of such Extraordinary Receipts, net of any reasonable expenses incurred in collecting such Extraordinary Receipts.

(iv) **Indebtedness.** Within 1 Business Day of the date of incurrence by Parent or any of its Subsidiaries of any Indebtedness (other than Permitted Indebtedness), Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such incurrence. The provisions of this Section 2.4(e)(iv) shall not be deemed to be implied consent to any such incurrence otherwise prohibited by the terms of this Agreement.

(v) **Equity.** Within 1 Business Day of the date of the issuance by Parent or any of its Subsidiaries of any Equity Interests (other than (A) in the event that Parent or any of its Subsidiaries forms any Subsidiary in accordance with the terms hereof, the issuance by such Subsidiary of Equity Interests to Parent or such Subsidiary, as applicable, (B) the issuance of Equity Interests of Parent to directors, officers and employees of Parent and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors, and (C) the issuance of Equity Interests by a Subsidiary of Parent to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (A) – (B) above), Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such issuance. The provisions of this Section 2.4(e)(v) shall not be deemed to be implied consent to any such issuance otherwise prohibited by the terms of this Agreement.

(vi) **Excess Cash Flow.** Within 10 days of delivery to Agent of audited annual financial statements pursuant to Section 5.1, commencing with the delivery to Agent of the financial statements for Parent's fiscal year ended December 31, 2013 or, if such financial statements are not delivered to Agent on the date such statements are required to be delivered pursuant to Section 5.1, within 10 days after the date such statements were required to be delivered to Agent pursuant to Section 5.1, Borrowers shall prepay the outstanding principal amount of the Obligations in accordance with Section 2.4(f)(ii) in an amount equal to 25% of the Excess Cash Flow of Parent and its Subsidiaries for such fiscal year; provided, that any Excess Cash Flow payment made pursuant to this Section 2.4(e)(vi) shall exclude the portion of Excess Cash Flow that is attributable to the target of a Permitted Acquisition and that accrued prior to the closing date of such Permitted Acquisition.

(vii) **Term Loan A Limiter.** If, at any time, (A) the outstanding principal amount of the Term Loan A exceeds (B) the Term Loan A Limiter, then within 3 Business Days following the date of such occurrence, Borrowers shall prepay the Obligations in accordance with Section 2.4(f)(iii) by an aggregate amount equal to the amount of such excess. The forgoing to the contrary notwithstanding, if Borrowers are required to make a payment of less than $500,000 pursuant to the immediately preceding sentence and fail to make such payment when due, Borrowers may cure (and shall be deemed to have cured) the Event of Default with respect to such failure to make such payment by making such payment to Agent in immediately available funds within 90 days after the date such payment was originally required to be made under the terms of the first sentence of this Section 2.4(e)(vii).

(f) **Application of Payments.**

(i) Each prepayment pursuant to Section 2.4(e)(i) shall, (A) so long as no Application Event shall have occurred and be continuing, be applied, *first,* to the outstanding principal amount of the Revolving Loans until paid in full, *second,* to cash collateralize the Letters of Credit in an amount equal to 105% of the then outstanding Letter of Credit Usage, *third,* to the outstanding principal amount of the Term Loan A until paid in full, and *fourth,* to the outstanding principal amount of the Term Loan B until paid in full and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(ii). Each such prepayment of the Term Loan A shall be applied against the remaining installments of principal of the Term Loan A in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment). Each such prepayment of the Term Loan B shall be applied against the remaining installments of principal of the Term Loan B in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

(ii) Each prepayment pursuant to Section 2.4(e)(ii), 2.4(e)(iii), 2.4(e)(iv), 2.4(e)(v), or 2.4(e)(vi) shall (A) so long as no Application Event shall have occurred and be continuing, be applied, *first,* to the outstanding principal amount of the Term Loan A until paid in full, *second,* (x) so long as Borrowers have Excess Availability of not less than $3,000,000 before and after giving effect to such application and no Default or Event of Default has occurred and is continuing or would result therefrom, to the outstanding principal amount of the Term Loan B until paid in full, (y) if both (A) the conditions in clause (x) of this item "second" are not satisfied solely as a result of Borrowers failing to have Excess Availability of at least $3,000,000 before and after giving effect to the application of such prepayment to the principal amount of the Term Loan B and (B) the application of all or any portion of such prepayment to the outstanding principal amount of the Revolving Loans prior to application to the principal amount of the Term Loan B would result in Borrowers having Excess Availability of $3,000,000 or more before and after giving effect to the application of all or any portion of such prepayment to the principal amount of the Term Loan B, then (1) *first,* to the outstanding principal amount of the Revolving Loans up to the amount necessary to result in Borrowers having Excess Availability of $3,000,000 or more before and after giving effect to the application of all or any portion of the remainder of such prepayment to the principal amount of the Term Loan B and (2) *second,* so long as Borrowers have Excess Availability of not less than $3,000,000 before and after giving effect to such application and no Default or Event of Default has occurred and is continuing or would result therefrom, to the outstanding principal amount of the Term Loan B until paid in full, or (z) in all other circumstances, to the outstanding principal amount of the Revolving Loans (without a corresponding permanent reduction in the Maximum Revolver Amount), until paid in full, *third,* to the outstanding principal amount of the Revolving Loans (without a corresponding permanent reduction in the Maximum Revolver Amount), until paid in full, and *fourth,* to cash collateralize the Letters of Credit in an amount equal to 105% of the then outstanding Letter of Credit Usage (without a corresponding permanent reduction in the Maximum Revolver Amount), and *fifth,* to the outstanding principal amount of the Term Loan B until paid in full and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(ii). Each such prepayment of the Term Loan A shall be applied against the remaining installments of principal of the Term Loan A in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall

constitute an installment). Each such prepayment of the Term Loan B shall be applied against the remaining installments of principal of the Term Loan B in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

(iii) Each prepayment pursuant to Section 2.4(e)(vii) shall, (A) so long as no Application Event shall have occurred and be continuing, be applied, to the outstanding principal amount of the Term Loan A until paid in full, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(ii). Each such prepayment of the Term Loan A shall be applied against the remaining installments of principal of the Term Loan A in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

(iv) Anything contained herein to the contrary notwithstanding, in the event that the Borrowers are required to make any mandatory prepayment (a "Waivable Mandatory Prepayment") of the Obligations pursuant to Section 2.4(e)(ii), 2.4(e)(iii), 2.4(e)(iv), 2.4(e)(v), 2.4(e)(vi), or 2.4(e)(vii), then not less than two Business Days prior to the date (the "Required Prepayment Date") on which the Borrowers are required to make such Waivable Mandatory Prepayment, Borrowers shall notify Agent of the amount of such prepayment, and Agent will promptly thereafter notify each Lender of the amount of such Lender's Pro Rata Share of such Waivable Mandatory Prepayment, if any, and of such Lender's option to decline such amount (each Lender exercising the option to decline, a "Declining Lender"). Each Lender may elect to decline receipt of all or any portion of the Waiveable Mandatory Prepayment to which it is entitled (without prejudice to such Lender's rights hereunder to accept or decline any future payments in respect of mandatory prepayments) by giving written notice to Agent of its election to decline ("Declination Notice") all or any portion of the applicable Waivable Mandatory Prepayment on or before the first Business Day prior to the Required Prepayment Date. No Revolving Lender shall be deemed to be a Declining Lender with respect to Revolving Loans or Letter of Credit Usage, as applicable, even if such Lender delivers a Declination Notice, unless all Revolving Lenders have elected to be Declining Lenders with respect to Revolving Loans or Letter of Credit Usage, as applicable. Any Lender that does not deliver a Declination Notice to Agent on or before the first Business Day prior to the Required Prepayment Date shall be deemed to have elected, as of such date, to receive the entire Waivable Mandatory Prepayment available. If there are any Declining Lenders with respect to a Waivable Mandatory Prepayment, then on the Required Prepayment Date for such Waivable Mandatory Prepayment, the Waivable Mandatory Prepayment shall be applied as follows: (A) so long as no Application Event shall have occurred and be continuing, *first,* to the outstanding principal amount of the Term Loan A held by Term Loan A Lenders who are not Declining Lenders, until paid in full, *second,* (x) so long as Borrowers have Excess Availability of not less than $3,000,000 before and after giving effect to such application and no Default or Event of Default has occurred and is continuing or would result therefrom, to the outstanding principal amount of the Term Loan B held by Term Loan B Lenders who are not Declining Lenders until paid in full, (y) if (A) the conditions in clause (x) of this item "second" are not satisfied solely as a result of Borrowers failing to have Excess Availability of at least $3,000,000 before and after giving effect to the application of such prepayment to the principal amount of the Term Loan B, (B) the Revolving Lenders are not Declining Lenders with respect to Revolving Loans, and (C) the application of all or any portion of such prepayment to the outstanding principal amount of the Revolving Loans prior to application to the principal amount of the Term Loan B held by Term Loan B Lenders who are not Declining Lenders would result in Borrowers having Excess Availability of $3,000,000 or more before and after giving effect to the application of all or any portion of such prepayment to the principal amount of the Term Loan B held by Term Loan B Lenders who are not Declining Lenders, then (1) *first,* to the outstanding principal amount of the Revolving Loans up to the amount necessary to result in Borrowers having Excess Availability of $3,000,000 or more before and after giving effect to the application of all or any portion of the remainder of such prepayment to the principal amount of the Term Loan B held by Term Loan B Lenders that are not Declining Lenders and (2) *second,* so long as Borrowers have Excess Availability of not less than $3,000,000 before and after giving effect to such application and no Default or Event of Default has occurred and is continuing or would result therefrom, to the outstanding principal amount of the Term Loan B held by Term Loan B Lenders that are not Declining Lenders until paid in full, or (z) in all other circumstances, so long as the Revolving Lenders are not Declining Lenders with respect to Revolving Loans, to the outstanding principal amount of the Revolving Loans (without a corresponding permanent reduction in the Maximum Revolver Amount), until paid in full, *third,* so long as Revolving Lenders are not Declining Lenders with

respect to the Revolving Loans, to the outstanding principal amount of the Revolving Loans (without a corresponding permanent reduction in the Maximum Revolver Amount), until paid in full, *fourth,* so long as Revolving Lenders are not Declining Lenders with respect to the Letter of Credit Usage, to cash collateralize the Letter of Credit Exposure in an amount equal to 105% of the then outstanding Letter of Credit Exposure (without a corresponding permanent reduction in the Maximum Revolver Amount), *fifth,* to the outstanding principal amount of the Term Loan B held by Term Loan B Lenders who are not Declining Lenders until paid in full, and *sixth,* to Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.4(b)(ii). Each such prepayment of the Term Loan A shall be applied against the remaining installments of principal of the Term Loan A owed to such Lenders who are not Declining Lenders in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment). Each such prepayment of the Term Loan B shall be applied against the remaining installments of principal of the Term Loan B owed to such Lenders who are not Declining Lenders in the inverse order of maturity (for the avoidance of doubt, any amount that is due and payable on the Maturity Date shall constitute an installment).

2.5 **Promise to Pay; Promissory Notes.**

(a) Borrowers agree to pay the Lender Group Expenses on the earlier of (i) the first day of the month following the date on which the applicable Lender Group Expenses were first incurred or (ii) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the Loan Account or the Term B Loan Account pursuant to the provisions of Section 2.6(d) shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (ii)). Borrowers promise to pay all of the Obligations (including principal, interest, premiums, if any, fees, costs, and expenses (including Lender Group Expenses)) in full on the Maturity Date or, if earlier, on the date on which the Obligations (other than the Bank Product Obligations) become due and payable pursuant to the terms of this Agreement. Borrowers agree that their obligations contained in the first sentence of this Section 2.5(a) shall survive payment or satisfaction in full of all other Obligations.

(b) Any Lender may request that any portion of its Commitments or the Loans made by it be evidenced by one or more promissory notes. In such event, Borrowers shall execute and deliver to such Lender the requested promissory notes payable to the order of such Lender in a form furnished by Agent and reasonably satisfactory to Borrowers. Thereafter, the portion of the Commitments and Loans evidenced by such promissory notes and interest thereon shall at all times be represented by one or more promissory notes in such form payable to the order of the payee named therein.

2.6 **Interest Rates and Letter of Credit Fee: Rates, Payments, and Calculations.**

(a) **Interest Rates.** Except as provided in Section 2.6(c), all Obligations (except for undrawn Letters of Credit) that have been charged to the Loan Account or the Term B Loan Account, as applicable, pursuant to the terms hereof shall bear interest as follows:

(i) if the relevant Obligation is a Term Loan A or a Term Loan B that is a LIBOR Rate Loan, at a *per annum* rate equal to the LIBOR Rate plus the Term LIBOR Rate Margin,

(ii) if the relevant Obligation is a Revolving Loan that is a LIBOR Rate Loan, at a *per annum* rate equal to the LIBOR Rate plus the Revolver LIBOR Rate Margin,

(iii) if the relevant Obligation is a Term Loan A or a Term Loan B that is Base Rate Loan, at a *per annum* rate equal to the Base Rate plus the Term Base Rate Margin, and

(iv) otherwise, at a *per annum* rate equal to the Base Rate plus the Revolver Base Rate Margin.

(b) **Letter of Credit Fee.** Borrowers shall pay Agent (for the ratable benefit of the Revolving Lenders), a Letter of Credit fee (the "Letter of Credit Fee") (which fee shall be in addition to the fronting fees and commissions, other fees, charges and expenses set forth in Section 2.11(k)) that shall accrue at a *per annum* rate equal to the Revolver LIBOR Rate Margin times the undrawn amount of all outstanding Letters of Credit.

(c) **Default Rate.** Upon the occurrence and during the continuation of an Event of Default and at:

(i) the election of Agent or the Required Lenders, all Obligations (except for undrawn Letters of Credit) that have been charged to the Loan Account or the Term B Loan Account, as applicable, pursuant to the terms hereof shall bear interest at a *per annum* rate equal to 2 percentage points above the per annum rate otherwise applicable hereunder (including retroactive to the date of occurrence of such Event of Default if so elected by Agent or the Required Lenders),

(ii) the election of Agent, the Required Senior Lenders, or the Required Lenders, the Letter of Credit Fee shall be increased to 2 percentage points above the *per annum* rate otherwise applicable hereunder (including retroactive to the date of occurrence of such Event of Default if so elected by Agent or the Required Lenders),

(iii) the election of Agent, the Required Senior Lenders, or the Required Lenders, all Obligations (except for undrawn Letters of Credit and the Term Loan B) that have been charged to the Loan Account, pursuant to the terms hereof shall bear interest at a *per annum* rate equal to 2 percentage points above the per annum rate otherwise applicable hereunder (including retroactive to the date of occurrence of such Event of Default if so elected by Agent, the Required Lenders, or the Required Senior Lenders), and

(iv) the election of Agent, the Required Lenders, or the Required Junior Lenders, all Obligations in respect of the Term B Loan that have been charged to the Term B Loan Account pursuant to the terms hereof shall bear interest at a *per annum* rate equal to 2 percentage points above the per annum rate otherwise applicable hereunder (including retroactive to the date of occurrence of such Event of Default if so elected by Agent, the Required Junior Lenders, or the Required Lenders).

(d) **Payment.** Except to the extent provided to the contrary in Section 2.10, Section 2.11(k) or Section 2.12(a), (i) all interest, all Letter of Credit Fees and all other fees payable hereunder or under any of the other Loan Documents shall be due and payable, in arrears, on the first day of each month, and (ii) all costs and expenses payable hereunder or under any of the other Loan Documents, and all Lender Group Expenses shall be due and payable on the earlier of (x) the first day of the month following the date on which the applicable costs, expenses, or Lender Group Expenses were first incurred or (y) the date on which demand therefor is made by Agent (it being acknowledged and agreed that any charging of such costs, expenses or Lender Group Expenses to the Loan Account or the Term B Loan Account, as applicable, pursuant to the provisions of the following sentences shall be deemed to constitute a demand for payment thereof for the purposes of this subclause (y)). Borrowers hereby authorize Agent, from time to time in Agent's discretion without prior notice to Borrowers, to charge to the Loan Account (A) on the first day of each month, all interest accrued during the prior month on the Revolving Loans or the Term Loan A hereunder, (B) on the first day of each month, all Letter of Credit Fees accrued or chargeable hereunder during the prior month, (C) as and when incurred or accrued, all fees and costs provided for in Section 2.10 (a) or (c), (D) on the first day of each month, the Unused Line Fee accrued during the prior month pursuant to Section 2.10(b), (E) as and when due and payable, all other fees payable (other than fees payable to any Term Loan B Lender) hereunder or under any of the other Loan Documents, (F) as and when incurred or accrued, the fronting fees and all commissions, other fees, charges and expenses provided for in Section 2.11(k), (G) as and when incurred or accrued, all other Lender Group Expenses (other than Lender Group Expenses payable to any Term Loan B Lender), and (H) as and when due and payable all other payment obligations (other than any such obligations payable in connection with the Term Loan B) payable under any Loan Document or any Bank Product Agreement (including any amounts due and payable to the Bank Product Providers in respect of Bank Products). Borrowers hereby authorize Agent, from time to time without prior notice to Borrowers, to charge to the Term B

Loan Account (1) on the first day of each month, all interest accrued during the prior month on the Term Loan B hereunder, (2) as and when due and payable, all fees payable to any Term Loan B Lender hereunder or under any of the other Loan Documents, (3) as and when incurred or accrued, all other Lender Group Expenses payable to any Term Loan B Lender, and (4) as and when due and payable all other payment obligations in connection with the Term Loan B payable under any Loan Document. All amounts (including interest, fees, costs, expenses, Lender Group Expenses, or other amounts payable hereunder or under any other Loan Document or under any Bank Product Agreement) charged to the Loan Account shall thereupon constitute Revolving Loans hereunder (unless otherwise elected by Agent in its discretion), shall constitute Obligations hereunder, and shall initially accrue interest at the rate then applicable to Revolving Loans that are Base Rate Loans (unless and until converted into LIBOR Rate Loans in accordance with the terms of this Agreement). For the avoidance of doubt, amounts charged to the Term B Loan Account shall not constitute Revolving Loans hereunder.

(e) **Computation.** All interest and fees chargeable under the Loan Documents shall be computed on the basis of a 360 day year, in each case, for the actual number of days elapsed in the period during which the interest or fees accrue. In the event the Base Rate is changed from time to time hereafter, the rates of interest hereunder based upon the Base Rate automatically and immediately shall be increased or decreased by an amount equal to such change in the Base Rate.

(f) **Intent to Limit Charges to Maximum Lawful Rate.** In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Borrowers and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that, anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, *ipso facto,* as of the date of this Agreement, Borrowers are and shall be liable only for the payment of such maximum amount as is allowed by law, and payment received from Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

2.7 **Crediting Payments; Clearance Charge.** The receipt of any payment item by Agent shall not be required to be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 1:30 p.m. If any payment item is received into Agent's Account on a non-Business Day or after 1:30 p.m. on a Business Day (unless Agent, in its sole discretion, elects to credit it on the date received), it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day. From and after the Closing Date, Agent shall be entitled to charge Borrowers for 1 Business Day of 'clearance' or 'float' at the rate then applicable under Section 2.6 to Revolving Loans that are Base Rate Loans on all Collections that are received by Parent and its Subsidiaries (regardless of whether forwarded by the Cash Management Banks to Agent). This across-the-board 1 Business Day clearance or float charge on all Collections of Parent and its Subsidiaries is acknowledged by the parties to constitute an integral aspect of the pricing of the financing of Borrowers and shall apply irrespective of whether or not there are any outstanding monetary Obligations; the effect of such clearance or float charge being the equivalent of charging interest on such Collections through the completion of a period ending 1 Business Days after the receipt thereof. The parties acknowledge and agree that the economic benefit of the foregoing provisions of this Section 2.7 shall be for the exclusive benefit of Agent.

2.8 **Designated Account.** Agent is authorized to make the Revolving Loans and the Term Loans, and Issuing Bank is authorized to issue the Letters of Credit, under this Agreement based upon telephonic or other instructions received from anyone purporting to be an Authorized Person or, without instructions, if pursuant to Section 2.6(d). Borrowers agree to establish and maintain the Designated Account with the Designated Account

Bank for the purpose of receiving the proceeds of the Revolving Loans requested by Borrowers and made by Agent or the Lenders hereunder. Unless otherwise agreed by Agent and Borrowers, any Revolving Loan or Swing Loan requested by Borrowers and made by Agent or the Lenders hereunder shall be made to the Designated Account.

2.9 **Maintenance of Loan Account and Term B Loan Account; Statements of Obligations.**

(a) Loan Account. Agent shall maintain an account on its books in the name of Borrowers (the "Loan Account") on which Borrowers will be charged with the Term Loan A, all Revolving Loans (including Extraordinary Advances and Swing Loans) made by Agent, Swing Lender, or the Lenders to Borrowers or for Borrowers' account, the Letters of Credit issued or arranged by Issuing Bank for Borrowers' account, and with all other payment Obligations (other than the Term Loan B and payment Obligations relating to the Term Loan B) hereunder or under the other Loan Documents, including, accrued interest (other than accrued interest on the Term Loan B), fees and expenses (other than amounts owed to Term Loan B Lenders), and Lender Group Expenses (other than amounts owed to Term Loan B Lenders). In accordance with Section 2.7, the Loan Account will be credited with all payments (other than payment in respect of the Term Loan B or amounts owed to the Term Loan B Lenders) received by Agent from Borrowers or for Borrowers' account. Agent shall make available to Borrowers monthly statements regarding the Loan Account, including the principal amount of the Term Loan A and the Revolving Loans, interest accrued thereon hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within 30 days after Agent first makes such a statement available to Borrowers, Borrowers shall deliver to Agent written objection thereto describing the error or errors contained in such statement. The foregoing to the contrary notwithstanding, Agent shall have the right to revise and adjust monthly statements (whether before or after such 30 day period) regarding the Loan Account to address adjustments in the interest rates or the Letter of Credit Fee as a result of the application of Section 2.6(c), and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within 30 days after Agent first makes such a statement available to Borrowers, Borrowers shall deliver to Agent written objection thereto describing the error or errors contained in such statement.

(b) Term B Loan Account. Agent shall maintain an account on its books in the name of Borrowers (the "Term B Loan Account") on which Borrowers will be charged with the Term Loan B and with all other payment Obligations relating to the Term Loan B hereunder or under the other Loan Documents, including, accrued interest on the Term Loan B, fees and expenses owed to Term Loan B Lenders, and Lender Group Expenses owed to Term Loan B Lenders. In accordance with Section 2.7, the Term B Loan Account will be credited with all payments in respect of the Term Loan B or amounts owed to the Term Loan B Lenders (in their capacity as Term Loan B Lenders only) received by Agent from Borrowers or for Borrowers' account. Agent shall make available to Borrowers monthly statements regarding the Term B Loan Account, including the principal amount of the Term Loan B interest accrued thereon hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within 30 days after Agent first makes such a statement available to Borrowers, Borrowers shall deliver to Agent written objection thereto describing the error or errors contained in such statement. The foregoing to the contrary notwithstanding, Agent shall have the right to revise and adjust monthly statements (whether before or after such 30 day period) regarding the Term B Loan Account to address adjustments in the interest rates or the Letter of Credit Fee as a result of the application of Section 2.6(c), and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within 30 days after Agent first makes such a statement available to Borrowers, Borrowers shall deliver to Agent written objection thereto describing the error or errors contained in such statement.

2.10 **Fees.**

(a) **Agent Fees.** Borrowers shall pay to Agent, for the account of Agent, as and when due and payable under the terms of the Fee Letter, the fees set forth in the Fee Letter.

(b) **Unused Line Fee.** Borrowers shall pay to Agent, for the ratable account of the Revolving Lenders, an unused line fee (the "Unused Line Fee") in an amount equal to 0.50% *per annum* times the result of (i) the aggregate amount of the Revolver Commitments, less (ii) the average amount of the Revolver Usage during the immediately preceding month (or portion thereof), which Unused Line Fee shall be due and payable on the first day of each month from and after the Closing Date up to the first day of the month prior to the date on which the Obligations are paid in full and on the date on which the Obligations are paid in full.

(c) **Field Examination and Other Fees.** Borrowers shall pay to Agent, field examination, appraisal, and valuation fees and charges, as and when incurred or chargeable, as follows (i) a fee of $1,000 per day, per examiner, plus out-of-pocket expenses (including travel, meals, and lodging) for each field examination of any Borrower performed by personnel employed by Agent, and (ii) the fees or charges paid or incurred by Agent (but, in any event, no less than a charge of $1,000 per day, per Person, plus out-of-pocket expenses (including travel, meals, and lodging)) if it elects to employ the services of one or more third Persons to perform field examinations of Parent or its Subsidiaries, to establish electronic collateral reporting systems, or to appraise the Collateral, or any portion thereof; provided, that so long as no Event of Default shall have occurred and be continuing, (x) Borrowers shall not be obligated to reimburse Agent for more than 2 field examinations during any calendar year, or more than 2 appraisals (comprised of not more than one in-field appraisal and 1 desktop appraisal) of the Collateral during any calendar year and (z) Agent shall not perform a new appraisal prior to July 1, 2013.

2.11 **Letters of Credit**.

(a) Subject to the terms and conditions of this Agreement, upon the request of Borrowers made in accordance herewith, and prior to the Maturity Date, Issuing Bank agrees to issue a requested Letter of Credit for the account of Borrowers. By submitting a request to Issuing Bank for the issuance of a Letter of Credit, Borrowers shall be deemed to have requested that Issuing Bank issue the requested Letter of Credit. Each request for the issuance of a Letter of Credit, or the amendment, renewal, or extension of any outstanding Letter of Credit, shall be irrevocable and shall be made in writing by an Authorized Person and delivered to Issuing Bank via telefacsimile or other electronic method of transmission reasonably acceptable to Issuing Bank and reasonably in advance of the requested date of issuance, amendment, renewal, or extension. Each such request shall be in form and substance reasonably satisfactory to Issuing Bank and (i) shall specify (A) the amount of such Letter of Credit, (B) the date of issuance, amendment, renewal, or extension of such Letter of Credit, (C) the proposed expiration date of such Letter of Credit, (D) the name and address of the beneficiary of the Letter of Credit, and (E) such other information (including, the conditions to drawing, and, in the case of an amendment, renewal, or extension, identification of the Letter of Credit to be so amended, renewed, or extended) as shall be necessary to prepare, amend, renew, or extend such Letter of Credit, and (ii) shall be accompanied by such Issuer Documents as Agent or Issuing Bank may request or require, to the extent that such requests or requirements are consistent with the Issuer Documents that Issuing Bank generally requests for Letters of Credit in similar circumstances. Bank's records of the content of any such request will be conclusive. Anything contained herein to the contrary notwithstanding, Issuing Bank may, but shall not be obligated to, issue a Letter of Credit that supports the obligations of Parent or one of its Subsidiaries in respect of (x) a lease of real property, or (y) an employment contract.

(b) Issuing Bank shall have no obligation to issue a Letter of Credit if any of the following would result after giving effect to the requested issuance:

(i) the Letter of Credit Usage would exceed $1,500,000, or

(ii) the Letter of Credit Usage would exceed the Maximum Revolver Amount *less* the outstanding amount of Revolving Loans (including Swing Loans), or

(iii) the Letter of Credit Usage would exceed the Borrowing Base at such time *less* the outstanding principal balance of the Revolving Loans (inclusive of Swing Loans) at such time.

(c) In the event there is a Defaulting Lender as of the date of any request for the issuance of a Letter of Credit, the Issuing Bank shall not be required to issue or arrange for such Letter of Credit to the extent (i) the Defaulting Lender's Letter of Credit Exposure with respect to such Letter of Credit may not be reallocated pursuant to Section 2.3(g)(ii), or (ii) the Issuing Bank has not otherwise entered into arrangements reasonably satisfactory to it and Borrowers to eliminate the Issuing Bank's risk with respect to the participation in such Letter of Credit of the Defaulting Lender, which arrangements may include Borrowers cash collateralizing such Defaulting Lender's Letter of Credit Exposure in accordance with Section 2.3(g)(ii). Additionally, Issuing Bank shall have no obligation to issue a Letter of Credit if (A) any order, judgment, or decree of any Governmental Authority or arbitrator shall, by its terms, purport to enjoin or restrain Issuing Bank from issuing such Letter of Credit, or any law applicable to Issuing Bank or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over Issuing Bank shall prohibit or request that Issuing Bank refrain from the issuance of letters of credit generally or such Letter of Credit in particular, or (B) the issuance of such Letter of Credit would violate one or more policies of Issuing Bank applicable to letters of credit generally, or (C) if amounts demanded to be paid under any Letter of Credit will or may not be in United States Dollars.

(d) Any Issuing Bank (other than Wells Fargo or any of its Affiliates) shall notify Agent in writing no later than the Business Day immediately following the Business Day on which such Issuing Bank issued any Letter of Credit; provided that (i) until Agent advises any such Issuing Bank that the provisions of Section 3.2 are not satisfied, or (ii) unless the aggregate amount of the Letters of Credit issued in any such week exceeds such amount as shall be agreed by Agent and such Issuing Bank, such Issuing Bank shall be required to so notify Agent in writing only once each week of the Letters of Credit issued by such Issuing Bank during the immediately preceding week as well as the daily amounts outstanding for the prior week, such notice to be furnished on such day of the week as Agent and such Issuing Bank may agree. Each Letter of Credit shall be in form and substance reasonably acceptable to Issuing Bank, including the requirement that the amounts payable thereunder must be payable in Dollars. If Issuing Bank makes a payment under a Letter of Credit, Borrowers shall pay to Agent an amount equal to the applicable Letter of Credit Disbursement on the Business Day such Letter of Credit Disbursement is made and, in the absence of such payment, the amount of the Letter of Credit Disbursement immediately and automatically shall be deemed to be a Revolving Loan hereunder (notwithstanding any failure to satisfy any condition precedent set forth in Section 3) and, initially, shall bear interest at the rate then applicable to Revolving Loans that are Base Rate Loans. If a Letter of Credit Disbursement is deemed to be a Revolving Loan hereunder, Borrowers' obligation to pay the amount of such Letter of Credit Disbursement to Issuing Bank shall be automatically converted into an obligation to pay the resulting Revolving Loan. Promptly following receipt by Agent of any payment from Borrowers pursuant to this paragraph, Agent shall distribute such payment to Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.11(e) to reimburse Issuing Bank, then to such Revolving Lenders and Issuing Bank as their interests may appear.

(e) Promptly following receipt of a notice of a Letter of Credit Disbursement pursuant to Section 2.11(d), each Revolving Lender agrees to fund its Pro Rata Share of any Revolving Loan deemed made pursuant to Section 2.11(d) on the same terms and conditions as if Borrowers had requested the amount thereof as a Revolving Loan and Agent shall promptly pay to Issuing Bank the amounts so received by it from the Revolving Lenders. By the issuance of a Letter of Credit (or an amendment, renewal, or extension of a Letter of Credit) and without any further action on the part of Issuing Bank or the Revolving Lenders, Issuing Bank shall be deemed to have granted to each Revolving Lender, and each Revolving Lender shall be deemed to have purchased, a participation in each Letter of Credit issued by Issuing Bank, in an amount equal to its Pro Rata Share of such Letter of Credit, and each such Revolving Lender agrees to pay to Agent, for the account of Issuing Bank, such Revolving Lender's Pro Rata Share of any Letter of Credit Disbursement made by Issuing Bank under the applicable Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to Agent, for the account of Issuing Bank, such Revolving Lender's Pro Rata Share of each Letter of Credit Disbursement made by Issuing Bank and not reimbursed by Borrowers on the date due as provided in Section 2.11(d), or of any reimbursement payment that is required to be refunded (or

that Agent or Issuing Bank elects, based upon the advice of counsel, to refund) to Borrowers for any reason. Each Revolving Lender acknowledges and agrees that its obligation to deliver to Agent, for the account of Issuing Bank, an amount equal to its respective Pro Rata Share of each Letter of Credit Disbursement pursuant to this Section 2.11(e) shall be absolute and unconditional and such remittance shall be made notwithstanding the occurrence or continuation of an Event of Default or Default or the failure to satisfy any condition set forth in Section 3. If any such Revolving Lender fails to make available to Agent the amount of such Revolving Lender's Pro Rata Share of a Letter of Credit Disbursement as provided in this Section, such Revolving Lender shall be deemed to be a Defaulting Lender and Agent (for the account of Issuing Bank) shall be entitled to recover such amount on demand from such Revolving Lender together with interest thereon at the Defaulting Lender Rate until paid in full.

(f) Each Borrower agrees to indemnify, defend and hold harmless each member of the Lender Group (including Issuing Bank and its branches, Affiliates, and correspondents) and each such Person's respective directors, officers, employees, attorneys and agents (each, including Issuing Bank, a "Letter of Credit Related Person") (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), which may be incurred by or awarded against any such Letter of Credit Related Person (other than Taxes, which shall be governed by Section 16) (the "Letter of Credit Indemnified Costs"), and which arise out of or in connection with, or as a result of:

(i) any Letter of Credit or any pre-advice of its issuance;

(ii) any transfer, sale, delivery, surrender or endorsement of any Drawing Document at any time(s) held by any such Letter of Credit Related Person in connection with any Letter of Credit;

(iii) any action or proceeding arising out of, or in connection with, any Letter of Credit (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under any Letter of Credit, or for the wrongful dishonor of, or honoring a presentation under, any Letter of Credit;

(iv) any independent undertakings issued by the beneficiary of any Letter of Credit;

(v) any unauthorized instruction or request made to Issuing Bank in connection with any Letter of Credit or requested Letter of Credit or error in computer or electronic transmission;

(vi) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated;

(vii) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of Letter of Credit proceeds or holder of an instrument or document;

(viii) the fraud, forgery or illegal action of parties other than the Letter of Credit Related Person;

(ix) Issuing Bank's performance of the obligations of a confirming institution or entity that wrongfully dishonors a confirmation; or

(x) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of the Letter of Credit Related Person;

in each case, including that resulting from the Letter of Credit Related Person's own negligence; provided, however, that such indemnity shall not be available to any Letter of Credit Related Person claiming

indemnification under clauses (i) through (x) above to the extent that such Letter of Credit Indemnified Costs may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Letter of Credit Related Person claiming indemnity. Borrowers hereby agree to pay the Letter of Credit Related Person claiming indemnity on demand from time to time all amounts owing under this Section 2.11(f). If and to the extent that the obligations of Borrowers under this Section 2.11(f) are unenforceable for any reason, Borrowers agree to make the maximum contribution to the Letter of Credit Indemnified Costs permissible under applicable law. This indemnification provision shall survive termination of this Agreement and all Letters of Credit.

(g) The liability of Issuing Bank (or any other Letter of Credit Related Person) under, in connection with or arising out of any Letter of Credit (or pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to direct damages suffered by Borrowers that are caused directly by Issuing Bank's gross negligence or willful misconduct in (i) honoring a presentation under a Letter of Credit that on its face does not at least substantially comply with the terms and conditions of such Letter of Credit, (ii) failing to honor a presentation under a Letter of Credit that strictly complies with the terms and conditions of such Letter of Credit or (iii) retaining Drawing Documents presented under a Letter of Credit. Issuing Bank shall be deemed to have acted with due diligence and reasonable care if Issuing Bank's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. Borrowers' aggregate remedies against Issuing Bank and any Letter of Credit Related Person for wrongfully honoring a presentation under any Letter of Credit or wrongfully retaining honored Drawing Documents shall in no event exceed the aggregate amount paid by Borrowers to Issuing Bank in respect of the honored presentation in connection with such Letter of Credit under Section 2.11(d), plus interest at the rate then applicable to Base Rate Loans hereunder. Borrowers shall take action to avoid and mitigate the amount of any damages claimed against Issuing Bank or any other Letter of Credit Related Person, including by enforcing its rights against the beneficiaries of the Letters of Credit. Any claim by Borrowers under or in connection with any Letter of Credit shall be reduced by an amount equal to the sum of (x) the amount (if any) saved by Borrowers as a result of the breach or alleged wrongful conduct complained of; and (y) the amount (if any) of the loss that would have been avoided had Borrowers taken all reasonable steps to mitigate any loss, and in case of a claim of wrongful dishonor, by specifically and timely authorizing Issuing Bank to effect a cure.

(h) Borrowers are responsible for preparing or approving the final text of the Letter of Credit as issued by Issuing Bank, irrespective of any assistance Issuing Bank may provide such as drafting or recommending text or by Issuing Bank's use or refusal to use text submitted by Borrowers. Borrowers are solely responsible for the suitability of the Letter of Credit for Borrowers' purposes. With respect to any Letter of Credit containing an "automatic amendment" to extend the expiration date of such Letter of Credit, Issuing Bank, in its sole and absolute discretion, may give notice of nonrenewal of such Letter of Credit and, if Borrowers do not at any time want such Letter of Credit to be renewed, Borrowers will so notify Agent and Issuing Bank at least 15 calendar days before Issuing Bank is required to notify the beneficiary of such Letter of Credit or any advising bank of such nonrenewal pursuant to the terms of such Letter of Credit.

(i) Borrowers' reimbursement and payment obligations under this Section 2.11 are absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, including:

(i) any lack of validity, enforceability or legal effect of any Letter of Credit or this Agreement or any term or provision therein or herein;

(ii) payment against presentation of any draft, demand or claim for payment under any Drawing Document that does not comply in whole or in part with the terms of the applicable Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person or a transferee of such Person purporting to be a successor or transferee of the beneficiary of such Letter of Credit;

(iii) Issuing Bank or any of its branches or Affiliates being the beneficiary of any Letter of Credit;

(iv) Issuing Bank or any correspondent honoring a drawing against a Drawing Document up to the amount available under any Letter of Credit even if such Drawing Document claims an amount in excess of the amount available under the Letter of Credit;

(v) the existence of any claim, set-off, defense or other right that Parent or any of its Subsidiaries may have at any time against any beneficiary, any assignee of proceeds, Issuing Bank or any other Person;

(vi) any other event, circumstance or conduct whatsoever, whether or not similar to any of the foregoing that might, but for this Section 2.11(i), constitute a legal or equitable defense to or discharge of, or provide a right of set-off against, any Borrower's or any of its Subsidiaries' reimbursement and other payment obligations and liabilities, arising under, or in connection with, any Letter of Credit, whether against Issuing Bank, the beneficiary or any other Person; or

(vii) the fact that any Default or Event of Default shall have occurred and be continuing;

provided, however, that subject to Section 2.11(g) above, the foregoing shall not release Issuing Bank from such liability to Borrowers as may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction against Issuing Bank following reimbursement or payment of the obligations and liabilities, including reimbursement and other payment obligations, of Borrowers to Issuing Bank arising under, or in connection with, this Section 2.11 or any Letter of Credit.

(j) Without limiting any other provision of this Agreement, Issuing Bank and each other Letter of Credit Related Person (if applicable) shall not be responsible to Borrowers for, and Issuing Bank's rights and remedies against Borrowers and the obligation of Borrowers to reimburse Issuing Bank for each drawing under each Letter of Credit shall not be impaired by:

(i) honor of a presentation under any Letter of Credit that on its face substantially complies with the terms and conditions of such Letter of Credit, even if the Letter of Credit requires strict compliance by the beneficiary;

(ii) honor of a presentation of any Drawing Document that appears on its face to have been signed, presented or issued (A) by any purported successor or transferee of any beneficiary or other Person required to sign, present or issue such Drawing Document or (B) under a new name of the beneficiary;

(iii) acceptance as a draft of any written or electronic demand or request for payment under a Letter of Credit, even if nonnegotiable or not in the form of a draft or notwithstanding any requirement that such draft, demand or request bear any or adequate reference to the Letter of Credit;

(iv) the identity or authority of any presenter or signer of any Drawing Document or the form, accuracy, genuineness or legal effect of any Drawing Document (other than Issuing Bank's determination that such Drawing Document appears on its face substantially to comply with the terms and conditions of the Letter of Credit);

(v) acting upon any instruction or request relative to a Letter of Credit or requested Letter of Credit that Issuing Bank in good faith believes to have been given by a Person authorized to give such instruction or request;

(vi) any errors, omissions, interruptions or delays in transmission or delivery of any message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms or in translation or any delay in giving or failing to give notice to Borrowers;

(vii) any acts, omissions or fraud by, or the insolvency of, any beneficiary, any nominated person or entity or any other Person or any breach of contract between any beneficiary and any Borrower or any of the parties to the underlying transaction to which the Letter of Credit relates;

(viii) assertion or waiver of any provision of the ISP or UCP that primarily benefits an issuer of a letter of credit, including any requirement that any Drawing Document be presented to it at a particular hour or place;

(ix) payment to any paying or negotiating bank (designated or permitted by the terms of the applicable Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice applicable to it;

(x) acting or failing to act as required or permitted under Standard Letter of Credit Practice applicable to where Issuing Bank has issued, confirmed, advised or negotiated such Letter of Credit, as the case may be;

(xi) honor of a presentation after the expiration date of any Letter of Credit notwithstanding that a presentation was made prior to such expiration date and dishonored by Issuing Bank if subsequently Issuing Bank or any court or other finder of fact determines such presentation should have been honored;

(xii) dishonor of any presentation that does not strictly comply or that is fraudulent, forged or otherwise not entitled to honor; or

(xiii) honor of a presentation that is subsequently determined by Issuing Bank to have been made in violation of international, federal, state or local restrictions on the transaction of business with certain prohibited Persons.

(k) Borrowers shall pay immediately upon demand to Agent for the account of Issuing Bank as non-refundable fees, commissions, and charges (it being acknowledged and agreed that any charging of such fees, commissions, and charges to the Loan Account pursuant to the provisions of Section 2.6(d) shall be deemed to constitute a demand for payment thereof for the purposes of this Section 2.11(k)): (i) a fronting fee which shall be imposed by Issuing Bank upon the issuance of each Letter of Credit of .825% per annum of the face amount thereof, *plus* (ii) any and all other customary commissions, fees and charges then in effect imposed by, and any and all expenses incurred by, Issuing Bank, or by any adviser, confirming institution or entity or other nominated person, relating to Letters of Credit, at the time of issuance of any Letter of Credit and upon the occurrence of any other activity with respect to any Letter of Credit (including transfers, assignments of proceeds, amendments, drawings, renewals or cancellations).

(l) If by reason of (x) any Change in Law, or (y) compliance by Issuing Bank or any other member of the Lender Group with any direction, request, or requirement (irrespective of whether having the force of law) of any Governmental Authority or monetary authority including, Regulation D of the Board of Governors as from time to time in effect (and any successor thereto):

(i) any reserve, deposit, or similar requirement is or shall be imposed or modified in respect of any Letter of Credit issued or caused to be issued hereunder or hereby, or

(ii) there shall be imposed on Issuing Bank or any other member of the Lender Group any other condition regarding any Letter of Credit,

and the result of the foregoing is to increase, directly or indirectly, the cost to Issuing Bank or any other member of the Lender Group of issuing, making, participating in, or maintaining any Letter of Credit or to reduce the amount receivable in respect thereof, then, and in any such case, Agent may, at any time within a reasonable period after the additional cost is incurred or the amount received is reduced, notify Borrowers, and Borrowers shall pay within

30 days after demand therefor, such amounts as Agent may specify to be necessary to compensate Issuing Bank or any other member of the Lender Group for such additional cost or reduced receipt, together with interest on such amount from the date of such demand until payment in full thereof at the rate then applicable to Base Rate Loans hereunder; provided, that (A) Borrowers shall not be required to provide any compensation pursuant to this Section 2.11(l) for any such amounts incurred more than 180 days prior to the date on which the demand for payment of such amounts is first made to Borrowers, and (B) if an event or circumstance giving rise to such amounts is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof. The determination by Agent of any amount due pursuant to this Section 2.11(l), as set forth in a certificate setting forth the calculation thereof in reasonable detail, shall, in the absence of manifest or demonstrable error, be final and conclusive and binding on all of the parties hereto.

(i) Unless otherwise expressly agreed by Issuing Bank and Borrowers when a Letter of Credit is issued, (i) the rules of the ISP and the UCP shall apply to each standby Letter of Credit, and (ii) the rules of the UCP shall apply to each commercial Letter of Credit.

(j) In the event of a direct conflict between the provisions of this Section 2.11 and any provision contained in any Issuer Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.11 shall control and govern.

2.12 **LIBOR Option.**

(a) **Interest and Interest Payment Dates.** In lieu of having interest charged at the rate based upon the Base Rate, Borrowers shall have the option, subject to Section 2.12(b) below (the "LIBOR Option") to have interest on all or a portion of the Revolving Loans or the Term Loans be charged (whether at the time when made (unless otherwise provided herein), upon conversion from a Base Rate Loan to a LIBOR Rate Loan, or upon continuation of a LIBOR Rate Loan as a LIBOR Rate Loan) at a rate of interest based upon the LIBOR Rate. Interest on LIBOR Rate Loans shall be payable on the earliest of (i) the last day of the Interest Period applicable thereto; provided, that, subject to the following clauses (ii) and (iii), in the case of any Interest Period greater than 3 months in duration, interest shall be payable at 3 month intervals after the commencement of the applicable Interest Period and on the last day of such Interest Period), (ii) the date on which all or any portion of the Obligations are accelerated pursuant to the terms hereof, or (iii) the date on which this Agreement is terminated pursuant to the terms hereof. On the last day of each applicable Interest Period, unless Borrowers have properly exercised the LIBOR Option with respect thereto, the interest rate applicable to such LIBOR Rate Loan automatically shall convert to the rate of interest then applicable to Base Rate Loans of the same type hereunder. At any time that an Event of Default has occurred and is continuing, Borrowers no longer shall have the option to request that Revolving Loans bear interest at a rate based upon the LIBOR Rate.

(b) **LIBOR Election.**

(i) Borrowers may, at any time and from time to time, so long as no Event of Default has occurred and is continuing, elect to exercise the LIBOR Option by notifying Agent prior to 11:00 a.m. at least 1 Business Day prior to the commencement of the proposed Interest Period (the "LIBOR Deadline"). Notice of Borrowers' election of the LIBOR Option for a permitted portion of the Revolving Loans or the Term Loans and an Interest Period pursuant to this Section shall be made by delivery to Agent of a LIBOR Notice received by Agent before the LIBOR Deadline, or by telephonic notice received by Agent before the LIBOR Deadline (to be confirmed by delivery to Agent of a LIBOR Notice received by Agent prior to 5:00 p.m. on the same day). Promptly upon its receipt of each such LIBOR Notice, Agent shall provide a copy thereof to each of the affected Lenders.

(ii) Each LIBOR Notice shall be irrevocable and binding on Borrowers. In connection with each LIBOR Rate Loan, each Borrower shall indemnify, defend, and hold Agent and the Lenders harmless

against any loss, cost, or expense actually incurred by Agent or any Lender as a result of (A) the payment of any principal of any LIBOR Rate Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (B) the conversion of any LIBOR Rate Loan other than on the last day of the Interest Period applicable thereto, or (C) the failure to borrow, convert, continue or prepay any LIBOR Rate Loan on the date specified in any LIBOR Notice delivered pursuant hereto (such losses, costs, or expenses, "Funding Losses"). A certificate of Agent or a Lender delivered to Borrowers setting forth in reasonable detail any amount or amounts that Agent or such Lender is entitled to receive pursuant to this Section 2.12 shall be conclusive absent manifest error. Borrowers shall pay such amount to Agent or the Lender, as applicable, within 30 days of the date of its receipt of such certificate.

(iii) Unless Agent, in its sole discretion, agrees otherwise, Borrowers shall have not more than 5 LIBOR Rate Loans in effect at any given time. Borrowers may only exercise the LIBOR Option for proposed LIBOR Rate Loans of at least $1,000,000.

(c) **Conversion.** Borrowers may convert LIBOR Rate Loans to Base Rate Loans at any time; provided, that in the event that LIBOR Rate Loans are converted or prepaid on any date that is not the last day of the Interest Period applicable thereto, including as a result of any prepayment through the required application by Agent of any payments or proceeds of Collateral in accordance with Section 2.4(b) or for any other reason, including early termination of the term of this Agreement or acceleration of all or any portion of the Obligations pursuant to the terms hereof, each Borrower shall indemnify, defend, and hold Agent and the Lenders and their Participants harmless against any and all Funding Losses in accordance with Section 2.12 (b)(ii).

(d) **Special Provisions Applicable to LIBOR Rate.**

(i) The LIBOR Rate may be adjusted by Agent with respect to any Lender on a prospective basis to take into account any additional or increased costs to such Lender of maintaining or obtaining any eurodollar deposits or increased costs, in each case, due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, including any Changes in Law (including any changes in tax laws (except changes of general applicability in corporate income tax laws)) and changes in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at the LIBOR Rate. In any such event, the affected Lender shall give Borrowers and Agent notice of such a determination and adjustment and Agent promptly shall transmit the notice to each other Lender and, upon its receipt of the notice from the affected Lender, Borrowers may, by notice to such affected Lender (A) require such Lender to furnish to Borrowers a statement setting forth in reasonable detail the basis for adjusting such LIBOR Rate and the method for determining the amount of such adjustment, or (B) repay the LIBOR Rate Loans of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.12(b)(ii)).

(ii) In the event that any change in market conditions or any Change in Law shall at any time after the date hereof, in the reasonable opinion of any Lender, make it unlawful or impractical for such Lender to fund or maintain LIBOR Rate Loans or to continue such funding or maintaining, or to determine or charge interest rates at the LIBOR Rate, such Lender shall give notice of such changed circumstances to Agent and Borrowers and Agent promptly shall transmit the notice to each other Lender and (y) in the case of any LIBOR Rate Loans of such Lender that are outstanding, the date specified in such Lender's notice shall be deemed to be the last day of the Interest Period of such LIBOR Rate Loans, and interest upon the LIBOR Rate Loans of such Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans, and (z) Borrowers shall not be entitled to elect the LIBOR Option until such Lender determines that it would no longer be unlawful or impractical to do so.

(e) **No Requirement of Matched Funding.** Anything to the contrary contained herein notwithstanding, neither Agent, nor any Lender, nor any of their Participants, is required actually to acquire eurodollar deposits to fund or otherwise match fund any Obligation as to which interest accrues at the LIBOR Rate.

2.13 **Capital Requirements.**

(a) If, after the date hereof, Issuing Bank or any Lender determines that (i) any Change in Law regarding capital or reserve requirements for banks or bank holding companies, or (ii) compliance by Issuing Bank or such Lender, or their respective parent bank holding companies, with any guideline, request or directive of any Governmental Authority regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on Issuing Bank's, such Lender's, or such holding companies' capital as a consequence of Issuing Bank's or such Lender's commitments hereunder to a level below that which Issuing Bank, such Lender, or such holding companies could have achieved but for such Change in Law or compliance (taking into consideration Issuing Bank's, such Lender's, or such holding companies' then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by Issuing Bank or such Lender to be material, then Issuing Bank or such Lender may notify Borrowers and Agent thereof. Following receipt of such notice, Borrowers agree to pay Issuing Bank or such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within 30 days after presentation by Issuing Bank or such Lender of a statement in the amount and setting forth in reasonable detail Issuing Bank's or such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, Issuing Bank or such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of Issuing Bank or any Lender to demand compensation pursuant to this Section shall not constitute a waiver of Issuing Bank's or such Lender's right to demand such compensation; provided that Borrowers shall not be required to compensate Issuing Bank or a Lender pursuant to this Section for any reductions in return incurred more than 180 days prior to the date that Issuing Bank or such Lender notifies Borrowers of such Change in Law giving rise to such reductions and of such Lender's intention to claim compensation therefor; provided further that if such claim arises by reason of the Change in Law that is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(b) If Issuing Bank or any Lender requests additional or increased costs referred to in Section 2.11(l) or Section 2.12(d)(i) or amounts under Section 2.13(a) or sends a notice under Section 2.12(d)(ii) relative to changed circumstances (such Issuing Bank or Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or would eliminate the illegality or impracticality of funding or maintaining LIBOR Rate Loans and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrowers agree to pay all reasonable out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrowers' obligation to pay any future amounts to such Affected Lender pursuant to Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or to enable Borrowers to obtain LIBOR Rate Loans, then Borrowers (without prejudice to any amounts then due to such Affected Lender under Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.11(l), Section 2.12(d)(i) or Section 2.13(a), as applicable, or indicates that it is no longer unlawful or impractical to fund or maintain LIBOR Rate Loans, may designate a different Issuing Bank or substitute a Lender, in each case, reasonably acceptable to Agent to purchase the Obligations owed to such Affected Lender and such Affected Lender's commitments hereunder (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations and commitments, and upon such purchase by the Replacement Lender, which such Replacement Lender shall be deemed to be "Issuing Bank" or a "Lender" (as the case may be) for purposes of this Agreement and such Affected Lender shall cease to be "Issuing Bank" or a "Lender" (as the case may be) for purposes of this Agreement.

(c) Notwithstanding anything herein to the contrary, the protection of Sections 2.11(l), 2.12(d), and 2.13 shall be available to Issuing Bank and each Lender (as applicable) regardless of any possible contention of

the invalidity or inapplicability of the law, rule, regulation, judicial ruling, judgment, guideline, treaty or other change or condition which shall have occurred or been imposed, so long as it shall be customary for issuing banks or lenders affected thereby to comply therewith. Notwithstanding any other provision herein, neither Issuing Bank nor any Lender shall demand compensation pursuant to this Section 2.13 if it shall not at the time be the general policy or practice of Issuing Bank or such Lender (as the case may be) to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any.

2.14 **[Intentionally Omitted]**

2.15 **Joint and Several Liability of Borrowers.**

(a) Each Borrower is accepting joint and several liability hereunder and under the other Loan Documents in consideration of the financial accommodations to be provided by the Lender Group under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers, with respect to the payment and performance of all of the Obligations (including any Obligations arising under this Section 2.15), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation until such time as all of the Obligations are paid in full.

(d) The Obligations of each Borrower under the provisions of this Section 2.15 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of the provisions of this Agreement (other than this Section 2.15(d)) or any other circumstances whatsoever.

(e) Except as otherwise expressly provided in this Agreement, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of any Revolving Loans or Letters of Credit issued under or pursuant to this Agreement, notice of the occurrence of any Default, Event of Default, or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by Agent or Lenders under or in respect of any of the Obligations, any requirement of diligence or to mitigate damages and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement). Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by Agent or Lenders at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by Agent or Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Agent or Lender with respect to the failure by any Borrower to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 2.15 afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.15, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of each Borrower under this Section 2.15 shall not be discharged except by

performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 2.15 shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any other Borrower or any Agent or Lender.

(f) Each Borrower represents and warrants to Agent and Lenders that such Borrower is currently informed of the financial condition of Borrowers and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and Lenders that such Borrower has read and understands the terms and conditions of the Loan Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of Borrowers' financial condition and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) The provisions of this Section 2.15 are made for the benefit of Agent, each member of the Lender Group, each Bank Product Provider, and their respective successors and assigns, and may be enforced by it or them from time to time against any or all Borrowers as often as occasion therefor may arise and without requirement on the part of Agent, any member of the Lender Group, any Bank Product Provider, or any of their successors or assigns first to marshal any of its or their claims or to exercise any of its or their rights against any Borrower or to exhaust any remedies available to it or them against any Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 2.15 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by Agent or any Lender upon the insolvency, bankruptcy or reorganization of any Borrower, or otherwise, the provisions of this Section 2.15 will forthwith be reinstated in effect, as though such payment had not been made.

(h) Each Borrower hereby agrees that it will not enforce any of its rights of contribution or subrogation against any other Borrower with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to Agent or Lenders with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to any Agent or any member of the Lender Group hereunder or under any of the Bank Product Agreements are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor. Notwithstanding anything to the contrary contained in this Agreement, no Borrower may exercise any rights of subrogation, contribution, indemnity, reimbursement or other similar rights against, and may not proceed or seek recourse against or with respect to any property or asset of, any other Borrower (the "Foreclosed Borrower"), including after payment in full of the Obligations, if all or any portion of the Obligations have been satisfied in connection with an exercise of remedies in respect of the Equity Interests of such Foreclosed Borrower whether pursuant to this Agreement or otherwise.

(i) Each Borrower hereby agrees that after the occurrence and during the continuance of any Default or Event of Default, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Borrower as trustee for Agent, and such Borrower shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.4(b).

3. **CONDITIONS; TERM OF AGREEMENT.**

3.1 **Conditions Precedent to the Initial Extension of Credit.** The obligation of each Lender to make the initial extensions of credit provided for hereunder is subject to the fulfillment, to the satisfaction of Agent and each Lender, of each of the conditions precedent set forth on Schedule 3.1 (the making of such initial extensions of credit by a Lender being conclusively deemed to be its satisfaction or waiver of the conditions precedent).

3.2 **Conditions Precedent to all Extensions of Credit.** The obligation of the Lender Group (or any member thereof) to make any Revolving Loans hereunder (or to extend any other credit hereunder) at any time shall be subject to the following conditions precedent:

(a) the representations and warranties of Parent or its Subsidiaries contained in this Agreement or in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date);

(b) no Default or Event of Default shall have occurred and be continuing on the date of such extension of credit, nor shall either result from the making thereof; and

(c) with respect to the making of any Revolving Loan or issuance of any Letter of Credit, Agent shall have received a duly executed and completed Borrowing Base Certificate, current as of the close of business on the Business Day immediately preceding the date of the requested issuance or Funding Date and demonstrating that, after making the requested Revolving Loan or issuing the requested Letter of Credit, the Revolver Usage will not exceed the lesser of the Maximum Revolver Amount and the Borrowing Base.

3.3 **Maturity.** This Agreement shall continue in full force and effect for a term ending on the Maturity Date.

3.4 **Effect of Maturity.** On the Maturity Date, all commitments of the Lender Group to provide additional credit hereunder shall automatically be terminated and all of the Obligations immediately shall become due and payable without notice or demand and Borrowers shall be required to repay all of the Obligations in full. No termination of the obligations of the Lender Group (other than payment in full of the Obligations and termination of the Commitments) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations have been paid in full and the Commitments have been terminated. When all of the Obligations have been paid in full and the Lender Group's obligations to provide additional credit under the Loan Documents have been terminated irrevocably, Agent will, at Borrowers' sole expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent.

3.5 **Early Termination by Borrowers.** Borrowers have the option, at any time upon 10 Business Days prior written notice to Agent, to terminate this Agreement and terminate the Commitments hereunder by repaying to Agent all of the Obligations in full. The foregoing notwithstanding, (a) Borrowers may rescind termination notices relative to proposed payments in full of the Obligations with the proceeds of third party Indebtedness if the closing for such issuance or incurrence does not happen on or before the date of the proposed termination (in which case, a new notice shall be required to be sent in connection with any subsequent termination), and (b) Borrowers may extend the date of termination at any time with the consent of Agent (which consent shall not be unreasonably withheld or delayed).

3.6 **Conditions Subsequent.** The obligation of the Lender Group (or any member thereof) to continue to make Revolving Loans (or otherwise extend credit hereunder) is subject to the fulfillment, on or before the date applicable thereto, of the conditions subsequent set forth on Schedule 3.6 (the failure by Borrowers to so perform or cause to be performed such conditions subsequent as and when required by the terms thereof (unless such date is extended, in writing, by Agent, which Agent may do without obtaining the consent of the other members of the Lender Group), shall constitute an Event of Default).

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each of Parent, Holdings, and each Borrower makes the following representations and warranties to the Lender Group which shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Closing Date, and shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date of the making of each Revolving Loan (or other extension of credit) made thereafter, as though made on and as of the date of such Revolving Loan (or other extension of credit) (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date) and such representations and warranties shall survive the execution and delivery of this Agreement:

4.1 **Due Organization and Qualification; Subsidiaries.**

(a) Each Loan Party (i) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (ii) is qualified to do business in any state where the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect, and (iii) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.1(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement) is a complete and accurate description of the authorized Equity Interests of each Loan Party, by class, and, as of the Closing Date, a description of the number of shares of each such class that are issued and outstanding. No Loan Party is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its Equity Interests or any security convertible into or exchangeable for any of its Equity Interests.

(c) Set forth on Schedule 4.1(c) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement), is a complete and accurate list of the Loan Parties' direct and indirect Subsidiaries, showing: (i) the number of shares of each class of common and preferred Equity Interests authorized for each of such Subsidiaries, and (ii) the number and the percentage of the outstanding shares of each such class owned directly or indirectly by Parent. All of the outstanding Equity Interests of each such Subsidiary has been validly issued and is fully paid and non-assessable.

(d) Except as set forth on Schedule 4.1(d), there are no subscriptions, options, warrants, or calls relating to any shares of any Parent's or any of its Subsidiaries' Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument.

4.2 **Due Authorization; No Conflict.**

(a) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party have been duly authorized by all necessary action on the part of such Loan Party.

(b) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party do not and will not (i) violate any material provision of federal, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, the Governing Documents of any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, (ii) conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any material agreement of any Loan Party or its Subsidiaries where any such conflict, breach or default could individually or in the aggregate reasonably be expected to have a Material Adverse Effect, (iii) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (iv) require any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any material agreement of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of material agreements, for consents or approvals, the failure to obtain could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect.

4.3 **Governmental Consents.** The execution, delivery, and performance by each Loan Party of the Loan Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Loan Documents do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority, other than registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and effect and except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date.

4.4 **Binding Obligations; Perfected Liens.**

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) Agent's Liens are validly created, perfected (other than (i) in respect of motor vehicles that are subject to a certificate of title, (ii) money, (iii) letter-of-credit rights (other than supporting obligations, (iv) commercial tort claims (other than those that, by the terms of the Guaranty and Security Agreement, are required to be perfected), and (v) any Deposit Accounts and Securities Accounts not subject to a Control Agreement as permitted by Section 7(k)(iv) of the Guaranty and Security Agreement, and subject only to the filing of financing statements, and the recordation of the Mortgages, in each case, in the appropriate filing offices), and first priority Liens, subject only to Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens, or the interests of lessors under Capital Leases.

4.5 **Title to Assets; No Encumbrances.** Each of the Loan Parties and its Subsidiaries has (a) good, sufficient and legal title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of their respective assets reflected in their most recent financial statements delivered pursuant to Section 5.1, in each case except for assets disposed of since the date of such financial statements to the extent permitted hereby. All of such assets are free and clear of Liens except for Permitted Liens.

4.6 **Litigation.**

(a) There are no actions, suits, or proceedings pending or, to the knowledge of any Borrower, after due inquiry, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Effect.

(b) Schedule 4.6(b) sets forth a complete and accurate description, with respect to each of the actions, suits, or proceedings with asserted liabilities in excess of, or that could reasonably be expected to result in liabilities in excess of, $500,000 that, as of the Closing Date, is pending or, to the knowledge of any Borrower, after due inquiry, threatened against a Loan Party or any of its Subsidiaries, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Closing Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of the Loan Parties' and their Subsidiaries in connection with such actions, suits, or proceedings is covered by insurance.

4.7 **Compliance with Laws.** No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable laws, rules, regulations, executive orders, or codes (including Environmental Laws) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect, or (b) is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

4.8 **No Material Adverse Effect.** All historical financial statements relating to the Loan Parties and their Subsidiaries that have been delivered by Borrowers to Agent have been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments) and present fairly in all material respects, the Loan Parties' and their Subsidiaries' consolidated financial condition as of the date thereof and results of operations for the period then ended. Since December 31, 2011, no event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Effect with respect to the Loan Parties and their Subsidiaries.

4.9 **Solvency.**

(a) Each Loan Party is Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.10 **Employee Benefits.** No Loan Party, none of their Subsidiaries, nor any of their ERISA Affiliates maintains or contributes to any Benefit Plan.

4.11 **Environmental Condition.** Except as set forth on Schedule 4.11, (a) to each Borrower's knowledge, no Loan Party's nor any of its Subsidiaries' properties or assets has ever been used by a Loan Party, its Subsidiaries, or by previous owners or operators in the disposal of, or to produce, store, handle, treat, release, or transport, any Hazardous Materials, where such disposal, production, storage, handling, treatment, release or transport was in violation, in any material respect, of any applicable Environmental Law, (b) to each Borrower's knowledge, after due inquiry, no Loan Party's nor any of its Subsidiaries' properties or assets has ever been designated or identified in any manner pursuant to any environmental protection statute as a Hazardous Materials disposal site, (c) no Loan Party nor any of its Subsidiaries has received notice that a Lien arising under any Environmental Law has attached to any revenues or to any Real Property owned or operated by a Loan Party or its Subsidiaries, and (d) no Loan Party nor any of its Subsidiaries nor any of their respective facilities or operations is subject to any outstanding written order, consent decree, or settlement agreement with any Person relating to any Environmental Law or Environmental Liability that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

4.12 **Complete Disclosure.** All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) hereafter furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to Agent on November 2, 2012 represent, and as of the date on which any other Projections are delivered to Agent, such additional Projections represent, Borrowers' good faith estimate, on the date such Projections are delivered, of the Loan Parties' and their Subsidiaries' future performance for the periods covered thereby based upon assumptions believed by Borrowers to be reasonable at the time of the delivery thereof to Agent (it being understood that such Projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and their Subsidiaries, and no assurances can be given that such Projections will be realized, and although reflecting Borrowers' good faith estimate, projections or forecasts based on methods and assumptions which Borrowers believed to be reasonable at the time such Projections were prepared, are not to be viewed as facts, and that actual results during the period or periods covered by the Projections may differ materially from projected or estimated results).

4.13 **Patriot Act.** To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (the "Patriot Act"). No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4.14 **Indebtedness.** Set forth on Schedule 4.14 is a true and complete list of all Indebtedness of each Loan Party and each of its Subsidiaries outstanding immediately prior to the Closing Date that is to remain outstanding immediately after giving effect to the closing hereunder on the Closing Date and such Schedule accurately sets forth the aggregate principal amount of such Indebtedness as of the Closing Date.

4.15 **Payment of Taxes.** Except as otherwise permitted under Section 5.5, all Tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, and all Taxes shown on such Tax returns to be due and payable and all assessments, fees and other governmental charges upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable. Each Loan Party and each of its Subsidiaries have made adequate provision in accordance with GAAP for all Taxes not yet due and payable. No Borrower knows of any proposed Tax assessment against a Loan Party or any of its Subsidiaries that is not being actively contested by such Loan Party or such Subsidiary diligently, in good faith, and by appropriate proceedings; provided such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.16 **Margin Stock.** No Loan Party nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the loans made to Borrowers will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors.

4.17 **Governmental Regulation.** No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal or state statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.18 **OFAC.** No Loan Party nor any of its Subsidiaries is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. No Loan Party nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

4.19 **Employee and Labor Matters.** There is (i) no unfair labor practice complaint pending or, to the knowledge of any Borrower, threatened against Parent or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or threatened against Parent or its Subsidiaries which arises out of or under any collective bargaining agreement and that could reasonably be expected to result in a material liability, (ii) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against Parent or its Subsidiaries that could reasonably be expected to result in a material liability, or (iii) to the knowledge of any Borrower, after due inquiry, no union representation question existing with respect to the employees of Parent or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of Parent or its Subsidiaries. None of Parent or its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act or similar state law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of Parent and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. All material payments due from Parent or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

4.20 **Holding Company Status.** Parent is a holding company and does not have any material liabilities (other than liabilities arising under the Loan Documents), own any material assets (other than the Equity Interests of Holdings) or engage in any operations or business (other than the ownership of Holdings and its Subsidiaries). Holdings is a holding company and does not have any material liabilities (other than liabilities arising under the Loan Documents), own any material assets (other than the Equity Interests of the Borrowers, IFC, and their Subsidiaries) or engage in any operations or business (other than the ownership of Borrowers, IFC, and their Subsidiaries).

4.21 **Leases.** Each Loan Party and its Subsidiaries enjoy peaceful and undisturbed possession under all leases material to their business and to which they are parties or under which they are operating, and, subject to Permitted Protests, all of such material leases are valid and subsisting and no material default by the applicable Loan Party or its Subsidiaries exists under any of them.

4.22 **Eligible Accounts.** As to each Account that is identified by Borrowers as an Eligible Account in a Borrowing Base Certificate submitted to Agent, such Account is (a) a bona fide existing payment obligation of the applicable Account Debtor created by the sale and delivery of Inventory or the rendition of services or Medical Services to such Account Debtor or to a patient in the ordinary course of the Borrowers' business, (b) owed to a Borrower without any known defenses, disputes, offsets, counterclaims, or rights of return or cancellation, and (c) not excluded as ineligible by virtue of one or more of the excluding criteria (other than any Agent-discretionary

criteria) set forth in the definition of Eligible Accounts. Each Account that is identified by Borrowers as an Eligible Account reimbursed or reimbursable pursuant to a Third Party Payor Arrangement (a) is and will be originated in compliance with the reimbursement policies of the applicable Third Party Payor Arrangement and (b) does not and shall not exceed the amount a Borrower is entitled to receive under any applicable capitation arrangement, fee schedule, discount formula, cost-based reimbursement or other adjustment or limitation to a Borrower's usual charges.

4.23 **Eligible Inventory.** As to each item of Inventory that is identified by Borrowers as Eligible Inventory in a Borrowing Base Certificate submitted to Agent, such Inventory is (a) of good and merchantable quality, free from known defects, and (b) not excluded as ineligible by virtue of one or more of the excluding criteria (other than any Agent-discretionary criteria) set forth in the definition of Eligible Inventory.

4.24 **Location of Inventory.** The (a) Inventory (other than Fixed Assets) of Parent and its Subsidiaries is not stored with a bailee, warehouseman, or similar party and is located only at, or in-transit between, the locations identified on Schedule 4.24(a) (as such Schedule may be updated from time to time, without the necessity of consent of any Lender or Agent, pursuant to Section 5.14) and (b) Fixed Assets of Parent and its Subsidiaries, other than those that are in possession of oncology clinics, infusion clinics, hospital outpatient chemotherapy clinics, or similar medical facilities in the ordinary course of business of Parent and its Subsidiaries pending delivery of such Fixes Assets on lease or rent to a patient end-user customer, are not stored with a bailee, warehouseman, or similar party and are located only at, or in-transit between, the locations identified on Schedule 4.24(b) (as such Schedule may be updated from time to time, without the necessity of consent of any Lender or Agent, pursuant to Section 5.14).

4.25 **Inventory Records.** Each Loan Party keeps correct and accurate records itemizing and describing the type, age, and quantity of its and its Subsidiaries' Inventory and the book value thereof.

4.26 **Eligible Fixed Assets.** As to each item that is identified by Borrowers as Eligible Fixed Assets in any certificate or report submitted to Agent to satisfy any condition set forth in Section 3.1 or in any Borrowing Base Certificate submitted to Agent, such item is (a) of good and merchantable quality, free from known defects, and (b) not excluded as ineligible by virtue of one or more of the excluding criteria (other than any Agent-discretionary criteria) set forth in the definition of Eligible Fixed Assets.

4.27 **[Intentionally Omitted]**

4.28 **[Intentionally Omitted]**

4.29 **Health Care Matters.**

(a) Compliance with Health Care Laws; Third Party Payors. Each Loan Party and each of their respective Subsidiaries is in compliance in all material respects with all Health Care Laws and requirements of Third Party Payor Arrangements applicable to it and its assets, business or operations. No Loan Party nor any of their Subsidiaries has received notice of a violation of any Health Care Law or requirement of any Health Care Permit or Third Party Payor Arrangement. No Loan Party nor any of their Subsidiaries has been excluded from any Third Party Payor Arrangement or been convicted or plead guilty or nolo contendere to any alleged violation of, or paid any fines or settlements in connection with any alleged violation of any Health Care Law,

(b) Health Care Permits. Each Loan Party and each of their Subsidiaries holds in full force and effect (without default, violation or noncompliance) all Health Care Permits necessary for it to own, lease, sublease or operate its assets and facilities or to conduct its business and operations as presently conducted (including to obtain reimbursement under all Third Party Payor Arrangements in which it participates). Notwithstanding the generality of the foregoing, at all times since February 17, 2009, each Loan Party was accredited by the Community Health Accreditation Program. No circumstance exists or event has occurred which could reasonably be expected to result in the suspension, revocation, termination, restriction, limitation, modification or non-renewal of any Health Care Permit.

(c) Proceedings. There is no pending (or, to the knowledge of any Loan Party, threatened) investigation, inquiry, litigation, review, hearing, suit, claim, audit, arbitration, proceeding or action (in each case, whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Authority or arbitrator against or affecting any Loan Party or any Subsidiary of any Loan Party, relating to any actual or alleged non-compliance with any Health Care Law or requirement of any Health Care Permit or Third Party Payor Arrangement. There are no facts, circumstances or conditions that would reasonably be expected to form the basis for any such proceeding described in the immediately preceding sentence against or affecting any Loan Party or any Subsidiary of any Loan Party.

(d) Cost Reports; Overpayments. Each Loan Party and each of their respective Subsidiaries has timely filed or caused to be timely filed all cost reports and other reports of every kind whatsoever required by any Government Reimbursement Program to have been filed or made with respect to the operations of the Loan Parties. There are no claims, actions or appeals pending before CMS, any administrative contractor, intermediary or carrier or any other Governmental Authority with respect to any Government Reimbursement Programs cost reports or claims filed by any Loan Party, or any disallowance by any Governmental Authority in connection with any audit of such cost reports. No Loan Party nor any of their Subsidiaries (i) has retained an overpayment received from, or failed to refund any amount due to any Government Reimbursement Program or other Third Party Payor in violation of any Health Care Law or Third Party Payor Arrangement, or (ii) has received written notice of, or has knowledge of, any overpayment or refunds due to any Third Party Payor.

(e) Material Statements. No Loan Party nor any of their Subsidiaries, nor any officer, affiliate, employee or agent of any Loan Party or any Subsidiary of any Loan Party, has made an untrue statement of a material fact or fraudulent statement to any Governmental Authority, failed to disclose a material fact that must be disclosed to any Governmental Authority, or committed an act, made a statement or failed to make a material statement that, at the time such statement, disclosure or failure to disclose occurred, would constitute a violation of any Health Care Law.

(f) Exclusion. No Loan Party nor any of their Subsidiaries, nor any owner, officer, director, partner, agent or managing employee or Person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. § 420.201) in any Loan Party or any Subsidiary of any Loan Party, has (i) been excluded from any Third Party Payor Arrangement or had a civil monetary penalty assessed pursuant to 42 U.S.C. § 1320a-7; (ii) been convicted (as that term is defined in 42 C.F.R. §1001.2) of any of those offenses described in 42 U.S.C. §1320a-7b or 18 U.S.C. §§669, 1035, 1347 or 1518, including any of the following categories of offenses: (A) criminal offenses relating to the delivery of an item or service under any federal health care program (as that term is defined in 42 U.S.C. §1320a-7b) or healthcare benefit program (as that term is defined in 18 U.S.C. §24b), (B) criminal offenses under federal or state law relating to patient neglect or abuse in connection with the delivery of a healthcare item or service, (C) criminal offenses under laws relating to fraud and abuse, theft, embezzlement, false statements to third parties, money laundering, kickbacks, breach of fiduciary responsibility or other financial misconduct in connection with the delivery of a healthcare item or service or with respect to any act or omission in a program operated by or financed in whole or in part by any federal, state or local governmental agency, (D) laws relating to the interference with or obstruction of any investigations into any criminal offenses described in this clause (e), or (E) criminal offenses under laws relating to the unlawful manufacturing, distribution, prescription or dispensing of a controlled substance; or (4) been involved or named in a U.S. Attorney complaint made or any other action taken pursuant to the False Claims Act under 31 U.S.C. §§3729-3731 or qui tam action brought pursuant to 31 U.S.C. §3729 et seq.

(g) HIPAA. Each Loan Party and each of their respective Subsidiaries is in compliance in all material respects with HIPAA. Further, in each contractual arrangement that is subject to HIPAA, each Loan Party and each of their respective Subsidiaries has: (i) entered into a written business associate agreement (as such term is defined under the HIPAA regulations) that substantially meets the requirements of HIPAA; (ii) at all times

complied in all material respects with such business associate agreements in respect of the HIPAA privacy or security standards; and (iii) at no time experienced or had a material unauthorized use or disclosure of Protected Health Information (as defined in the HIPAA regulations) or privacy or security breach or other privacy or security incident within the meaning of HIPAA.

(h) Corporate Integrity Agreement. No Loan Party nor any of their Subsidiaries, nor any owner, officer, director, partner, agent or managing employee of any Loan Party or any Subsidiary of any Loan Party, is a party to or bound by any individual integrity agreement, corporate integrity agreement, corporate compliance agreement, deferred prosecution agreement, or other formal or informal agreement with any Governmental Authority concerning compliance with Health Care Laws, any Government Reimbursement Programs or the requirements of any Health Care Permit.

4.30 **FDA Regulatory Compliance.**

(a) Each Loan Party and each of their Subsidiaries has, and it and its products are in conformance with, all registrations, listings, authorizations, approvals, licenses, permits, clearances, certificates and exemptions (including new drug applications, abbreviated new drug applications, biologics license applications, investigational new drug applications, over-the-counter drug monograph, device pre-market approval applications, device pre-market notifications, investigational device exemptions, product recertifications, manufacturing approvals and authorizations, CE Marks, pricing and reimbursement approvals, labeling approvals or their foreign equivalent, controlled substance registrations, and wholesale distributor permits) issued or allowed by the FDA or any comparable Governmental Authority, including but not limited to Health Canada (hereinafter "Registrations") that are required to conduct its business as currently conducted. To the knowledge of each Loan Party, neither the FDA nor any comparable Governmental Authority, including but not limited to Health Canada, is considering limiting, suspending, or revoking any such Registration. The Loan Parties and each of their Subsidiaries have fulfilled and performed their obligations under each Registration, and no event has occurred or condition or state of facts exists which would constitute a breach or default under, or would cause revocation or termination of, any such Registration.

(b) Each Loan Party and each of their Subsidiaries are conducting their business and operations in compliance in all material respects with all applicable Public Health Laws. No Loan Party nor any of their Subsidiaries is subject to any obligation arising under an administrative or regulatory action, proceeding, investigation or inspection by or on behalf of the FDA or any comparable Governmental Authority, including but not limited to Health Canada, warning letter, Form FDA-483, untitled letter, notice of violation letter, consent decree, request for information or other notice, response or commitment made to or with the FDA or any comparable Governmental Authority, and no such obligation has been threatened. All products designed, developed, investigated, manufactured, prepared, assembled, packaged, tested, labeled, distributed, sold or marketed by or on behalf of any Loan Party or any of their Subsidiaries that are subject to the jurisdiction of the FDA or Health Canada have been and are being designed, developed, investigated, manufactured, prepared, assembled, packaged, tested, labeled, distributed, sold and marketed in compliance with the Public Health Laws. As of the Closing Date, no Loan Party nor any of their Subsidiaries is undergoing any inspection related to any activities or products of the Loan Parties or any of their Subsidiaries that are subject to Public Health Laws.

5. AFFIRMATIVE COVENANTS.

Each Loan Party covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations::

5.1 **Financial Statements, Reports, Certificates.** Parent, Holdings, and Borrowers (a) will deliver to Agent, with copies to each Lender, each of the financial statements, reports, and other items set forth on Schedule 5.1 no later than the times specified therein, (b) agree that no Subsidiary of a Loan Party will have a fiscal year different from that of Parent, (c) agree to maintain a system of accounting that enables Borrowers to produce financial statements in accordance with GAAP, and (d) agree that they will, and will cause each other Loan Party

to, (i) keep a reporting system that shows all additions, sales, claims, returns, and allowances with respect to their and their Subsidiaries' sales, and (ii) maintain their billing systems and practices substantially as in effect as of the Closing Date and shall only make material modifications thereto with notice to, and with the consent of, Agent.

5.2 **Reporting.** Parent, Holdings, and Borrowers (a) will deliver to Agent (and if so requested by Agent, with copies for each Lender) each of the reports set forth on Schedule 5.2 at the times specified therein, and (b) agree to use commercially reasonable efforts in cooperation with Agent to facilitate and implement a system of electronic collateral reporting in order to provide electronic reporting of each of the items set forth on such Schedule.

5.3 **Existence.** Except as otherwise permitted under Section 6.3 or Section 6.4, each Loan Party will, and will cause each of their respective Subsidiaries to, at all times preserve and keep in full force and effect such Person's valid existence and good standing in its jurisdiction of organization and, except as could not reasonably be expected to result in a Material Adverse Effect, good standing with respect to all other jurisdictions in which it is qualified to do business and any rights, franchises, permits, licenses, accreditations, authorizations, or other approvals material to their businesses.

5.4 **Maintenance of Properties.** Each Loan Party will, and will cause each of its respective Subsidiaries to, maintain and preserve all of its assets that are necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear, tear, casualty, and condemnation and Permitted Dispositions excepted.

5.5 **Taxes.** Each Loan Party will, and will cause each of its respective Subsidiaries to, pay in full before delinquency or before the expiration of any extension period all material governmental assessments and Taxes imposed, levied, or assessed against it, or any of its assets or in respect of any of its income, businesses, or franchises, except to the extent that the validity of such governmental assessment or Tax is the subject of a Permitted Protest.

5.6 **Insurance.** Each Loan Party will, and will cause each of its respective Subsidiaries to, at Borrowers' expense, (a) maintain insurance respecting each of Parent's and its Subsidiaries' assets wherever located, covering liabilities, losses or damages as are customarily are insured against by other Persons engaged in same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies acceptable to Agent and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to Agent (it being agreed that the amount, adequacy, and scope of the policies of insurance of the Loan Parties in effect as of the Closing Date are acceptable to Agent). All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard non contributory "lender" or "secured party" clause and are to contain such other provisions as Agent may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies. All certificates of property and general liability insurance are to be delivered to Agent, with the loss payable (but only in respect of Collateral) and additional insured endorsements in favor of Agent and shall provide for not less than 30 days (10 days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. If Parent or its Subsidiaries fails to maintain such insurance, Agent may arrange for such insurance, but at Borrowers' expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Borrowers shall give Agent prompt notice of any loss exceeding $500,000 covered by their or their Subsidiaries' casualty or business interruption or medical malpractice insurance. Upon the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to file claims under any property and general liability insurance policies in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

5.7 **Inspection.**

(a) Each Loan Party will, and will cause each of its Subsidiaries to, permit Agent, any Lender, and each of their respective duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees (provided an authorized representative of a Borrower shall be allowed to be present) at such reasonable times and intervals as Agent or any Lender, as applicable, may designate and, so long as no Default or Event of Default has occurred and is continuing, with reasonable prior notice to Borrowers and during regular business hours.

(b) Each Loan Party will, and will cause each of its Subsidiaries to, permit Agent and each of its duly authorized representatives or agents to conduct appraisals and valuations at such reasonable times and intervals as Agent may designate.

5.8 **Compliance with Laws.** Each Loan Party will, and will cause each of its Subsidiaries to, comply with the requirements of all applicable laws, rules, regulations, and orders of any Governmental Authority, other than laws, rules, regulations, and orders the non-compliance with which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

5.9 **Environmental**. Each Loan Party will, and will cause each of its Subsidiaries to,

(a) Keep any property either owned or operated by Parent or its Subsidiaries free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens,

(b) Comply, in all material respects, with Environmental Laws and provide to Agent documentation of such compliance which Agent reasonably requests,

(c) Promptly notify Agent of any release of which any Loan Party has knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by Parent or its Subsidiaries and take any Remedial Actions required to abate said release or otherwise to come into compliance, in all material respects, with applicable Environmental Law, and

(d) Promptly, but in any event within 5 Business Days of its receipt thereof, provide Agent with written notice of any of the following: (i) notice that an Environmental Lien has been filed against any of the real or personal property of Parent or its Subsidiaries, (ii) commencement of any Environmental Action or written notice that an Environmental Action will be filed against Parent or its Subsidiaries, and (iii) written notice of a violation, citation, or other administrative order from a Governmental Authority.

5.10 **Disclosure Updates.** Each Loan Party will, promptly and in no event later than 5 Business Days after obtaining knowledge thereof, notify Agent if any written information, exhibit, or report furnished to Agent or the Lenders contained, at the time it was furnished, any untrue statement of a material fact or omitted to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances in which made. The foregoing to the contrary notwithstanding, any notification pursuant to the foregoing provision will not cure or remedy the effect of the prior untrue statement of a material fact or omission of any material fact nor shall any such notification have the effect of amending or modifying this Agreement or any of the Schedules hereto.

5.11 **Formation of Subsidiaries.** Each Loan Party will, at the time that any Loan Party forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Closing Date, within 10 days of such formation or acquisition (or such later date as permitted by Agent in its sole discretion) (a) cause such new Subsidiary to provide to Agent a joinder to the Guaranty and Security Agreement, together with such other security agreements (including mortgages with respect to any Real Property owned in fee of such new Subsidiary with a fair market value greater than $500,000), as well as appropriate financing statements (and with respect to all property

subject to a mortgage, fixture filings), all in form and substance reasonably satisfactory to Agent (including being sufficient to grant Agent a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary); provided, that the joinder to the Guaranty and Security Agreement, and such other security agreements shall not be required to be provided to Agent with respect to any Subsidiary of Parent that is a CFC if providing such agreements would result in adverse tax consequences or the costs to the Loan Parties of providing such guaranty or such security agreements are unreasonably excessive (as determined by Agent in consultation with Borrowers) in relation to the benefits to Agent and the Lenders of the security or guarantee afforded thereby, (b) provide, or cause the applicable Loan Party to provide, to Agent a pledge agreement (or an addendum to the Guaranty and Security Agreement) and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary in form and substance reasonably satisfactory to Agent; provided, that only 65% of the total outstanding voting Equity Interests and 100% of the total nonvoting Equity Interests of any first tier Subsidiary of Parent that is a CFC (and none of the Equity Interests of any Subsidiary of such CFC) shall be required to be pledged if pledging a greater amount would result in adverse tax consequences or the costs to the Loan Parties of providing such pledge are unreasonably excessive (as determined by Agent in consultation with Borrowers) in relation to the benefits to Agent and the Lenders of the security afforded thereby (which pledge, if reasonably requested by Agent, shall be governed by the laws of the jurisdiction of such Subsidiary), and (c) provide to Agent all other documentation, including one or more opinions of counsel reasonably satisfactory to Agent, which, in its opinion, is appropriate with respect to the execution and delivery of the applicable documentation referred to above (including policies of title insurance or other documentation with respect to all Real Property owned in fee and subject to a mortgage). Any document, agreement, or instrument executed or issued pursuant to this Section 5.11 shall constitute a Loan Document.

5.12 **Further Assurances.** Each Loan Party will, and will cause each of the other Loan Parties to, at any time upon the reasonable request of Agent, execute or deliver to Agent any and all financing statements, fixture filings, security agreements, pledges, assignments, mortgages, deeds of trust, opinions of counsel, and all other documents (the "Additional Documents") that Agent may reasonably request in form and substance reasonably satisfactory to Agent, to create, perfect, and continue perfected or to better perfect Agent's Liens in all of the assets of Parent and its Subsidiaries (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), to create and perfect Liens in favor of Agent in any Real Property acquired by any Borrower or any other Loan Party with a fair market value in excess of $500,000, and in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents; provided that the foregoing shall not apply to any Subsidiary of Parent that is a CFC if providing such documents would result in adverse tax consequences or the costs to the Loan Parties of providing such documents are unreasonably excessive (as determined by Agent in consultation with Borrowers) in relation to the benefits to Agent and the Lenders of the security afforded thereby. To the maximum extent permitted by applicable law, if any Borrower or any other Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so, each Borrower and each other Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance of, and not in limitation of, the foregoing, each Loan Party shall take such actions as Agent may reasonably request from time to time to ensure that the Obligations are guarantied by the Guarantors and are secured by substantially all of the assets of Parent and its Subsidiaries, including all of the outstanding capital Equity Interests of each Borrower and its Subsidiaries (subject to exceptions and limitations contained in the Loan Documents with respect to CFCs).

5.13 **Lender Meetings.** Parent will, within 90 days after the close of each fiscal year of Parent, and one time during each subsequent 90 day period thereafter, in each case, at the request of Agent or of the Required Lenders and upon reasonable prior notice, hold a meeting (at a mutually agreeable location and time or, at the option of Agent, by conference call; provided that no more than one in person meeting shall be required in any fiscal year pursuant to this Section 5.13) with all Lenders who choose to attend such meeting at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of Parent and its Subsidiaries and the projections presented for the current fiscal year of Parent and its Subsidiaries.

5.14 **Location of Inventory.** Each Loan Party will, and will cause each of its Subsidiaries to, (a) keep its Inventory (other than Fixed Assets) only at the locations identified on Schedule 4.24(a) and their chief executive offices only at the locations identified on Schedule 4.6(b); provided, that Borrowers may amend Schedule 4.24(a) without the necessity of consent of any Lender or Agent to add additional locations or Schedule 4.6(b) so long as such amendment occurs by written notice to Agent not less than 10 days prior to the date on which such Inventory is moved to such new location or such chief executive office is relocated and so long as such new location is within the continental United States, (b) keep its Fixed Assets only at, or in-transit between, the locations identified on Schedule 4.24(b) (as such Schedule may be updated from time to time, without the necessity of consent of any Lender or Agent, by delivery of written notice thereof to Agent), and (c) keep at locations in the United States all (i) of its Fixed Assets that were identified as Eligible Fixed Assets in the most recent Borrowing Base Certificate delivered to Agent and (ii) of its Inventory that was identified as Eligible Inventory in the most recent Borrowing Base Certificate delivered to Agent.

5.15 **Compliance with Health Care Laws.**

(a) Each Loan Party and each of their respective Subsidiaries will comply in all material respects with all applicable Health Care Laws, Public Health Law and requirements of Third Party Payor Arrangements.

(b) Each Loan Party and each of their respective Subsidiaries shall (i) obtain, maintain and preserve, and cause each of its Subsidiaries to obtain, maintain and preserve, and take all necessary action to timely renew, all material Health Care Permits and Registrations (including, as applicable, Health Care Permits necessary for it to be eligible to receive payment and compensation from and to participate in any Third Party Payor Arrangements) which are necessary or useful in the proper conduct of its business; (ii) be and remain in material compliance with all requirements for participation in, and for licensure required to provide the goods or services that are reimbursable under, all Third Party Payor Arrangements; (iii) cause all Persons providing professional health care services for or on behalf of any Loan Party (either as an employee or independent contractor) to comply with all applicable Health Care Laws in the performance of their duties, and to maintain in full force and effect all professional licenses and other Health Care Permits required to perform such duties; and (iv) keep and maintain all records required to be maintained by any Governmental Authority or otherwise under any Health Care Law and Public Health Law. All products designed, developed, investigated, manufactured, prepared, assembled, packaged, tested, labeled, distributed, sold or marketed by or on behalf of any Loan Party or any of their Subsidiaries that are subject to the jurisdiction of the FDA shall be designed, developed, investigated, manufactured, prepared, assembled, packaged, tested, labeled, distributed, sold and marketed in compliance with the Public Health Laws.

(c) Each Loan Party and each of their respective Subsidiaries shall maintain a corporate and health care regulatory compliance program ("RCP") which addresses the requirements of Health Care Laws, including without limitation HIPAA, and includes at least the following components: (i) standards of conduct and procedures that describe compliance policies regarding laws with an emphasis on prevention of fraud and abuse; (ii) a specific officer within high-level personnel identified as having overall responsibility for compliance with such standards and procedures; (iii) training and education programs which effectively communicate the compliance standards and procedures to employees and agents, including fraud and abuse laws and illegal billing practices; (iv) auditing and monitoring systems and reasonable steps for achieving compliance with such standards and procedures including publicizing a reporting system to allow employees and other agents to anonymously report criminal or suspect conduct and potential compliance problems; (v) disciplinary guidelines and consistent enforcement of compliance policies including discipline of individuals responsible for the failure to detect violations of the RCP; and (vi) mechanisms to immediately respond to detected violations of the RCP. Each Loan Party and each of their respective Subsidiaries shall modify such RCPs from time to time, as may be necessary to ensure continuing compliance with all applicable Health Care Laws. Upon request, the Administrative Agent (and/or its consultants) shall be permitted to review such RCPs.

(d) Borrowers shall provide to Agent upon request, an accurate, complete and current list of all Third Party Payor Arrangements with respect to the business of the Loan Parties.

6. NEGATIVE COVENANTS.

Each Loan Party covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations:

6.1 **Indebtedness.** Each Loan Party will not, and will not permit any of its Subsidiaries to create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 **Liens.** Each Loan Party will not, and will not permit any of its Subsidiaries to create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 **Restrictions on Fundamental Changes.** Each Loan Party will not, and will not permit any of its Subsidiaries to,

(a) Other than in order to consummate a Permitted Acquisition, enter into any merger, consolidation, reorganization, or recapitalization, or reclassify its Equity Interests, except for (i) any merger between Loan Parties, provided, that a Borrower must be the surviving entity of any such merger to which it is a party and no merger may occur between (x) Parent and Holdings, (y) Parent, on the one hand, and any Borrower, on the other hand, or (z) Holdings, on the one hand, and any Borrower, on the other hand, (ii) any merger between a Loan Party and a Subsidiary of such Loan Party that is not a Loan Party so long as such Loan Party is the surviving entity of any such merger, and (iii) any merger between Subsidiaries of Parent that are not Loan Parties,

(b) liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for (i) the liquidation or dissolution of non-operating Subsidiaries of Parent with nominal assets and nominal liabilities, (ii) the liquidation or dissolution of a Loan Party (other than Parent, Holdings, or any Borrower) or any of its wholly-owned Subsidiaries so long as all of the assets (including any interest in any Equity Interests) of such liquidating or dissolving Loan Party or Subsidiary are transferred to a Loan Party that is not liquidating or dissolving, or (iii) the liquidation or dissolution of a Subsidiary of Parent that is not a Loan Party (other than any such Subsidiary the Equity Interests of which (or any portion thereof) is subject to a Lien in favor of Agent) so long as all of the assets of such liquidating or dissolving Subsidiary are transferred to a Subsidiary of Parent that is not liquidating or dissolving, or

(c) suspend or cease operating a substantial portion of its or their business, except as permitted pursuant to clauses (a) or (b) above or in connection with a transaction permitted under Section 6.4.

6.4 **Disposal of Assets.** Other than Permitted Dispositions or transactions expressly permitted by Sections 6.3 or 6.9, each Loan Party will not, and will not permit any of its Subsidiaries to convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any of its or their assets.

6.5 **Nature of Business.** Each Loan Party will not, and will not permit any of its Subsidiaries to make any change in the nature of its or their business as described in Schedule 6.5 or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that the foregoing shall not prevent Parent and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its their business.

6.6 **Prepayments and Amendments.** Each Loan Party will not, and will not permit any of its Subsidiaries to,

(a) Except in connection with Refinancing Indebtedness permitted by Section 6.1,

(i) optionally prepay, redeem, defease, purchase, or otherwise acquire any Indebtedness of Parent or its Subsidiaries, other than (A) the Obligations in accordance with this Agreement, and (B) Permitted Intercompany Advances, or

(ii) make any payment on account of Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not permitted at such time under the subordination terms and conditions, or

(b) Directly or indirectly, amend, modify, or change any of the terms or provisions of

(i) any agreement, instrument, document, indenture, or other writing evidencing or concerning Permitted Indebtedness other than (A) the Obligations in accordance with this Agreement, (B) Permitted Intercompany Advances, and (C) Indebtedness permitted under clauses (c), (g), (i) and (j) of the definition of Permitted Indebtedness, or

(ii) the Governing Documents of any Loan Party or any of its Subsidiaries if the effect thereof, either individually or in the aggregate, could reasonably be expected to be materially adverse to the interests of the Lenders.

6.7 **Restricted Payments.** Each Loan Party will not, and will not permit any of its Subsidiaries to make any Restricted Payment; provided, that, so long as it is permitted by law and the constituent documents of such Loan Party, and so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom,

(a) The Loan Parties may, directly or indirectly, make distributions, to Parent for the sole purpose of allowing Parent to, and Parent shall use the proceeds thereof solely to (i) pay reasonable and customary costs and expenses of operating a publicly-traded company (including filing fees and taxes, director fees (including those permitted by Section 6.10), and reasonable legal fees associated therewith), (ii) pay reasonable and customary insurance expenses incurred by Parent or any of its Subsidiaries so long as attributable solely to the operations of Holdings and its Subsidiaries, (iii) pay reasonable legal fees incurred by Parent to prosecute litigation in favor of Parent (so long as attributable to or associated with Parent's ownership and operations of Holdings and its Subsidiaries) or Borrower or its Subsidiaries, to defend litigation filed against Parent (so long as attributable to or associated with Parent's ownership and operations of Holdings and its Subsidiaries) or Holdings or its Subsidiaries, or in connection with the representation of Parent (so long as attributable to or associated with Parent's ownership and operations of Holdings and its Subsidiaries) or Holdings or its Subsidiaries for a transaction permitted by the Agreement involving Parent or Borrower or its Subsidiaries, and (iv) pay reasonable accounting fees incurred by Parent that are solely attributable to the operations of Holdings and its Subsidiaries; provided, however, that if the aggregate amount of distributions made to Parent in reliance on this Section 6.7(a) during in any fiscal year exceeds $2,500,000, then Parent shall provide prompt written notice thereof to Agent, which notice shall include reasonable detail regarding such fees, costs, and expenses during such fiscal year and, if requested by Agent, Parent shall provide Agent with copies of invoices, receipts, or other information reasonably requested by Agent with respect to such fees, costs, and expenses,

(b) Parent may make distributions to former employees, officers, or directors of Parent (or any spouses, ex-spouses, or estates of any of the foregoing) on account of redemptions of Equity Interests of Parent held by such Persons, provided, that the aggregate amount of such distributions made to Parent by the Loan Parties and, without duplication thereof, redemptions made by Parent during the term of this Agreement plus the amount of Indebtedness outstanding under clause (k) of the definition of Permitted Indebtedness, does not exceed $500,000 in the aggregate,

(c) Parent may make distributions to former employees, officers, or directors of Parent (or any spouses, ex-spouses, or estates of any of the foregoing), solely in the form of forgiveness of Indebtedness of such Persons owing to Parent on account of repurchases of the Equity Interests of Parent held by such Persons; provided that such Indebtedness was incurred by such Persons solely to acquire Equity Interests of Parent,

(d) so long as (i) the cash distribution and payment thereof is in compliance with applicable law (including, to the extent applicable, the Delaware law) and the constituent documents of Parent, (ii) Parent shall have provided Agent with not less than 15 days prior written notice before making such distribution, (iii) Excess Availability both before and after giving effect to such distribution is greater than $3,000,000, (iv) Parent has provided Agent with written confirmation, supported by reasonably detailed calculations, that on a pro forma basis after giving effect to the proposed distribution (and any incurrence of Indebtedness in connection therewith) as though such distribution were made on the last day of such period of determination, that Parent and its Subsidiaries (y) would have been in compliance with the financial covenants in Section 7 of the Agreement for the trailing twelve month periods ended on the last day of each of the two fiscal quarters immediately preceding such distribution date for which financial statements are available, and (z) would have had a Leverage Ratio of less that 1.0:1.0 as of each of the last day of such period, (v) Parent has delivered to Agent updated pro forma Projections (after giving effect to the applicable distribution) for Parent and its Subsidiaries evidencing, on a pro forma basis after giving effect to the applicable dividend, (A) that the Leverage Ratio of Parent and its Subsidiaries as of the last day of each of the 2 fiscal quarters (on a quarter-by-quarter basis) immediately following the date of such distribution, would be less than 1.0:1.0 and (B) that Parent and its Subsidiaries would be compliance with Section 7 for each of the 2 fiscal quarters (on a quarter-by-quarter basis) immediately following the proposed date of the applicable distribution, Parent may declare and pay cash distributions in an aggregate amount not to exceed the Available Amount, and

(e) so long as and to the extent that (i) Parent is permitted to make distributions under Section 6.10(b) or (d) and (ii) the cash distribution and payment thereof is in compliance with applicable law and the constituent documents of such applicable Loan Party, the Loan Parties may make dividends or distributions, directly or indirectly, to Parent for the purpose of permitting Parent to make the payments permitted by Section 6.10(b) or (d) and Parent shall and agrees to use the proceeds of such dividends or distributions solely for such purpose.

6.8 **Accounting Methods.** Each Loan Party will not, and will not permit any of its Subsidiaries to modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP).

6.9 **Investments.** Each Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment except for Permitted Investments.

6.10 **Transactions with Affiliates.** Each Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction with any Affiliate of Parent or any of its Subsidiaries except for:

(a) transactions (other than the payment of management, consulting, monitoring, or advisory fees) between Parent or its Subsidiaries, on the one hand, and any Affiliate of Parent or its Subsidiaries, on the other hand, so long as such transactions (i) are fully disclosed to Agent prior to the consummation thereof, if they involve one or more payments by Parent or its Subsidiaries in excess of $500,000 for any single transaction or series of related transactions, and (ii) are no less favorable, taken as a whole, to Parent or its Subsidiaries, as applicable, than would be obtained in an arm's length transaction with a non-Affiliate,

(b) so long as it has been approved by Parent's or its applicable Subsidiary's board of directors (or comparable governing body) in accordance with applicable law, any indemnity provided for the benefit of directors (or comparable managers) of Parent or its applicable Subsidiary,

(c) so long as it has been approved by Parent's or its applicable Subsidiary's board of directors (or comparable governing body) in accordance with applicable law, the payment of reasonable compensation, severance, or employee benefit arrangements to employees, officers, and outside directors of Parent and its Subsidiaries in the ordinary course of business and consistent with industry practice, and

(d) transactions permitted by Section 6.3 or Section 6.7, or any Permitted Intercompany Advance.

6.11 **Use of Proceeds.** Each Loan Party will not, and will not permit any of its Subsidiaries to use the proceeds of any loan made hereunder for any purpose other than (a) on the Closing Date, (i) to repay, in full, the outstanding principal, accrued interest, and accrued fees and expenses owing under or in connection with the Existing Credit Facility, and (ii) to pay the fees, costs, and expenses incurred in connection with this Agreement, the other Loan Documents, and the transactions contemplated hereby and thereby, in each case, as set forth in the Funds Flow Agreement, and (b) thereafter, consistent with the terms and conditions hereof, for their lawful and permitted purposes (including that no part of the proceeds of the loans made to Borrowers will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors).

6.12 **Limitation on Issuance of Equity Interests.** Except for the issuance or sale of Qualified Equity Interests by Parent, each Loan Party will not, and will not permit any of its Subsidiaries to issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests.

6.13 **Inventory with Bailees.** Each Loan Party will not, and will not permit any of its Subsidiaries to store its Inventory at any time with a bailee, warehouseman, or similar party, except (a) as described on Schedule 6.13, or (b) Fixed Assets that are in possession of oncology clinics, infusion clinics, hospital outpatient chemotherapy clinics, or other medical facilities in the ordinary course of business of Parent and its Subsidiaries, pending delivery of such Fixed Asset on lease or rent to the ultimate patient end-user customer and located at the locations identified on Schedule 4.24(b) (as such Schedule may be updated from time to time, without the necessity of consent of any Lender or Agent, by delivery of written notice thereof to Agent).

6.14 **Holding Company; Restrictions on Parent.** Parent will not, and no Loan Party will permit Parent to, incur any liabilities (other than liabilities arising under the Loan Documents), own or acquire any assets (other than the Equity Interests of Holdings) or engage itself in any operations or business, except in connection with its ownership of Holdings, the Borrowers, IFC and their respective Subsidiaries and its rights and obligations under the Loan Documents. Holdings will not, and no Loan Party will permit Holdings to, incur any liabilities (other than liabilities arising under the Loan Documents), own or acquire any assets (other than the Equity Interests of Holdings, the Borrowers, IFC and their respective Subsidiaries) or engage itself in any operations or business, except in connection with its ownership of Holdings, the Borrowers, IFC and their respective Subsidiaries and its rights and obligations under the Loan Documents. Anything contained in Section 6.1 or any other provision of this Agreement to the contrary notwithstanding, during the period commencing on the Closing Date and continuing up to the Charter Amendment Date, Parent shall not (i) without the prior written consent of the Required Lenders, seek or consent to any compromise or arrangement among Parent and its creditors or Parent and any class of its creditors, in each case, intended to bind the Agent and Lenders with respect to the Obligations in reliance on Article Eighth of Parent's Certificate of Incorporation or (ii) incur or assume any Indebtedness (other than the Obligations), if after giving effect to such incurrence or assumption, the aggregate value of the claims of all creditors of Parent (other than the Obligations) would equal or exceed 40% of the aggregate value of all claims of all creditors of Parent.

7. **FINANCIAL COVENANTS.**

Each Loan Party covenants and agrees that, until termination of all of the Commitments and payment in full of the Obligations, Parent will:

(a) **Fixed Charge Coverage Ratio.** Have a Fixed Charge Coverage Ratio, measured on a quarter-end basis, of at least the required amount set forth in the following table for the applicable period set forth opposite thereto:

Applicable Ratio	Applicable Period
1.25:1.00	For the 4 quarter period ending March 31, 2013
1.25:1.00	For the 4 quarter period ending June 30, 2013
1.25:1.00	For the 4 quarter period ending September 30, 2013
1.25:1.00	For the 4 quarter period ending December 31, 2013
1.50:1.00	For the 4 quarter period ending March 31, 2014
1.50:1.00	For the 4 quarter period ending June 30, 2014
1.50:1.00	For the 4 quarter period ending September 30, 2014
1.75:1.00	For the 4 quarter period ending December 31, 2014
1.75:1.00	For the 4 quarter period ending March 31, 2015
2.00:1.00	For the 4 quarter period ending June 30, 2015
2.00:1.00	For the 4 quarter period ending each quarter thereafter

(b) **Leverage Ratio.** Have a Leverage Ratio, measured on a quarter-end basis, of not greater than the applicable ratio set forth in the following table for the applicable date set forth opposite thereto:

Applicable Ratio	Applicable Date
2.50:1.00	March 31, 2013
2.50:1.00	June 30, 2013
2.25:1.00	September 30, 2013
2.00:1.00	December 31, 2013
2.00:1.00	March 31, 2014
1.75:1.00	June 30, 2014
1.75:1.00	September 30, 2014
1.50:1.00	December 31, 2014
1.50:1.00	March 31, 2015
1.25:1.00	June 30, 2015
1.25:1.00	September 30, 2015
1.00:1.00	December 31, 2015 and the last day of each quarter thereafter

(c) **Capital Expenditures.** Make Capital Expenditures (excluding the amount, if any, of Capital Expenditures made with Net Cash Proceeds reinvested pursuant to the proviso in Section 2.4(e)(ii) or clause (b)(i) of the definition of Permitted Dispositions) in any fiscal year in an amount less than or equal to, but not greater than, the amount set forth in the following table for the applicable period:

Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
$ 1,250,000	$ 5,500,000	$ 5,500,000	$ 5,500,000	$ 5,500,000

provided, that if the amount of the Capital Expenditures permitted to be made in any fiscal year as set forth in the above table (plus the amount of any Carry-Over Amount available during such fiscal year) is greater than the actual amount of the Capital Expenditures (excluding the amount, if any, of Capital Expenditures made with Net Cash Proceeds reinvested pursuant to the proviso in Section 2.4(e)(ii) or clause (b)(i) of the definition of Permitted Dispositions) actually made in such fiscal year (the amount by which such permitted Capital Expenditures for such fiscal year (including any Carry-Over Amount) exceeds the actual amount of Capital Expenditures for such fiscal year, the "Excess Amount"), then the lesser of (i) such Excess Amount and (ii) 25% of the amount set forth in the above table for the next succeeding fiscal year (such lesser amount referred to as the "Carry-Over Amount") may be carried forward to the next succeeding Fiscal Year (the "Succeeding Fiscal Year").

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1 **Payments.** If Borrowers fail to pay when due and payable, or when declared due and payable, (a) all or any portion of the Obligations consisting of interest, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts (other than any portion thereof constituting principal) constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), and such failure continues for a period of 3 Business Days, (b) all or any portion of the principal of the Loans, or (c) any amount payable to Issuing Bank in reimbursement of any drawing under a Letter of Credit;

8.2 **Covenants.** If any Loan Party or any of its Subsidiaries:

(a) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 3.6, 5.1, 5.2, 5.3 (solely if any Borrower is not in good standing in its jurisdiction of organization), 5.6, 5.7 (solely if any Borrower refuses to allow Agent or its representatives or agents to visit any Borrower's properties, inspect its assets or books or records, examine and make copies of its books and records, or discuss Borrowers' affairs, finances, and accounts with officers and employees of any Borrower), 5.10, 5.11, 5.13, 5.14, or 5.15 of this Agreement, (ii) Section 6 of this Agreement, (iii) Section 7 of this Agreement, or (iv) Section 7 of the Guaranty and Security Agreement;

(b) fails to perform or observe any covenant or other agreement contained in any of Sections 5.3 (other than if any Borrower is not in good standing in its jurisdiction of organization), 5.4, 5.5, 5.8, and 5.12 of this Agreement and such failure continues for a period of 10 days after the earlier of (i) the date on which such failure shall first become known to any officer of any Borrower or (ii) the date on which written notice thereof is given to Borrowers by Agent; or

(c) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of 30 days after the earlier of (i) the date on which such failure shall first become known to any officer of any Borrower or (ii) the date on which written notice thereof is given to Borrowers by Agent;

8.3 **Judgments.** If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of $500,000, or more (except to the extent fully covered (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has not denied coverage) is entered or filed against a Loan Party or any of its Subsidiaries, or with respect to any of their respective assets, and either (a) there is a period of 45 consecutive days at any time after the entry of any such judgment, order, or award during which (1) the same is not discharged, satisfied, vacated, or bonded pending appeal, or (2) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award;

8.4 **Voluntary Bankruptcy, etc.** If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries;

8.5 **Involuntary Bankruptcy, etc.** If an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within 60 calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein;

8.6 **Default Under Other Agreements.** If there is (a) a default in one or more agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness involving an aggregate amount of $500,000 or more, and such default (i) occurs at the final maturity of the obligations thereunder, or (ii) results in a right by such third Person, irrespective of whether exercised, to accelerate the maturity of such Loan Party's or its Subsidiary's obligations thereunder, or (b) a default in or] an involuntary early termination of one or more Hedge Agreements to which a Loan Party or any of its Subsidiaries is a party;

8.7 **Representations, etc.** If any warranty, representation, certificate, statement, or Record made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof;

8.8 **Guaranty.** If the obligation of any Guarantor under the guaranty contained in the Guaranty and Security Agreement is limited or terminated by operation of law or by such Guarantor (other than in accordance with the terms of this Agreement);

8.9 **Security Documents.** If the Guaranty and Security Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent of Permitted Liens which are non-consensual Permitted Liens, permitted purchase money Liens or the interests of lessors under Capital Leases, first priority Lien on the Collateral covered thereby, except (a) as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement, or (b) as the result of an action or failure to act on the part of Agent;

8.10 **Loan Documents.** The validity or enforceability of any Loan Document shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Agent) be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document;

8.11 **Change of Control.** A Change of Control shall occur, whether directly or indirectly;

8.12 **Overpayment.** If any Loan Party is found to have been overpaid by a Government Account Debtor by 10% or more during any period covered by an audit conducted by such Government Account Debtor, and such overpayment is not repaid within 30 days of its due date or reserved for in a manner reasonably acceptable to the Agent;

8.13 **Lockbox Instructions.** If (a) any instruction or agreement regarding any Government Receivables Lockbox Account, Government Receivables Lockbox (as defined in the Guaranty and Security Agreement), Non-Government Receivables Lockbox Account, Non-Government Receivables Lockbox (as defined in the Guaranty and Security Agreement), Controlled Account Agreement (as defined in the Guaranty and Security Agreement), or Government Receivables Lockbox Account Agreement is either (i) not approved in writing by Agent, or (ii) amended or terminated without the written consent of Agent, (b) any Loan Party fails to forward any Collections in respect of Government Receivables and Non-Government Receivables to the applicable Government Receivables Lockbox Account or Non-Government Receivables Lockbox Account, respectively, as required pursuant to Section 7(k) of the Guaranty and Security Agreement, (c) any Loan Party directs any Account Debtor to make a payment in respect of any Non-Government Receivable to any place, lockbox or Deposit Account other than a Non-Government Receivables Lockbox (as defined in the Guaranty and Security Agreement), or Non-Government Receivables Lockbox Account in violation of Section 7(k) of the Guaranty and Security Agreement, or (d) any Loan Party directs any Government Account Debtor to make a payment in respect of any Government Receivable to any place, lockbox or Deposit Account other than a Government Receivables Lockbox (as defined in the Guaranty and Security Agreement), or Government Receivables Lockbox Account in violation of Section 7(k) of the Guaranty and Security Agreement;

8.14 **Health Care Laws.** If (a) any material Healthcare Permit of a Loan Party shall be revoked, suspended or otherwise terminated or fail to be renewed, (b) any Loan Party shall fail to be eligible for any reason to participate in any Government Reimbursement Program or to accept assignments or rights to reimbursement thereunder, or (c) any Account Debtor shall terminate, revoke or fail to renew any Loan Party's right to participate in any Third Party Payor Arrangement that provides reimbursement for Medical Services;

8.15 **FDA Matters.** (a) The FDA initiates any enforcement action against any Loan Party or any supplier of a Loan Party that causes any Loan Party to recall, withdraw, remove or discontinue marketing any of its

products; (b) the FDA issues a warning letter to any Loan Party with respect to any of its activities or products; (c) any Loan Party conducts a mandatory or voluntary recall; (d) any Loan Party enters into a settlement agreement with the FDA; or (e) the FDA revokes any authorization or permission granted under any material Registration, or any Loan Party withdraws any material Registration; or

8.16 **Support Agreement.** The occurrence of any Event of Default (as defined in the Support Agreement).

9. **RIGHTS AND REMEDIES**.

9.1 **Rights and Remedies.** Upon the occurrence and during the continuation of an Event of Default, Agent may, and, at the instruction of the Required Lenders, shall (in each case under clauses (a) or (b) by written notice to Borrowers), in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following:

(a) (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by each Borrower, and (ii) direct Borrowers to provide (and Borrowers agree that upon receipt of such notice Borrowers will provide) Letter of Credit Collateralization to Agent to be held as security for Borrowers' reimbursement obligations for drawings that may subsequently occur under issued and outstanding Letters of Credit;

(b) declare the Commitments terminated, whereupon the Commitments shall immediately be terminated together with (i) any obligation of any Revolving Lender to make Revolving Loans, (ii) the obligation of the Swing Lender to make Swing Loans, and (iii) the obligation of Issuing Bank to issue Letters of Credit; and

(c) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents, under applicable law, or in equity.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5, in addition to the remedies set forth above, without any notice to Borrowers or any other Person or any act by the Lender Group, the Commitments shall automatically terminate and the Obligations (other than the Bank Product Obligations), inclusive of the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other Obligations (other than the Bank Product Obligations), whether evidenced by this Agreement or by any of the other Loan Documents, shall automatically become and be immediately due and payable and Borrowers shall automatically be obligated to repay all of such Obligations in full (including Borrowers being obligated to provide (and Borrowers agree that they will provide) (1) Letter of Credit Collateralization to Agent to be held as security for Borrowers' reimbursement obligations in respect of drawings that may subsequently occur under issued and outstanding Letters of Credit and (2) Bank Product Collateralization to be held as security for Borrowers' or their Subsidiaries' obligations in respect of outstanding Bank Products), without presentment, demand, protest, or notice or other requirements of any kind, all of which are expressly waived by each Loan Party.

9.2 **Remedies Cumulative.** The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

10. **WAIVERS; INDEMNIFICATION**.

10.1 **Demand; Protest; etc.** Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which any Borrower may in any way be liable.

10.2 **The Lender Group's Liability for Collateral.** Each Borrower hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrowers.

10.3 **Indemnification.** Each Borrower shall pay, indemnify, defend, and hold the Agent-Related Persons, the Lender-Related Persons, and each Participant (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery (provided that Borrowers shall not be liable for costs and expenses (including attorneys fees) of any Lender (other than Wells Fargo, PennantPark Investment Corporation or PennantPark Credit Opportunities Fund) incurred in advising, structuring, drafting, reviewing, administering or syndicating the Loan Documents), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Parent's and its Subsidiaries' compliance with the terms of the Loan Documents (provided, that the indemnification in this clause (a) shall not extend to (i) disputes solely between or among the Lenders that do not involve any acts or omissions of any Loan Party, or (ii) disputes solely between or among the Lenders and their respective Affiliates that do not involve any acts or omissions of any Loan Party; it being understood and agreed that the indemnification in this clause (a) shall extend to Agent (but not the Lenders) relative to disputes between or among Agent on the one hand, and one or more Lenders, or one or more of their Affiliates, on the other hand, or (iii) any Taxes or any costs attributable to Taxes, which shall be governed by Section 16), (b) with respect to any actual or prospective investigation, litigation, or proceeding related to this Agreement, any other Loan Document, the making of any Loans or issuance of any Letters of Credit hereunder, or the use of the proceeds of the Loans or the Letters of Credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with or arising out of any presence or release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by any Borrower or any of its Subsidiaries or any Environmental Actions, Environmental Liabilities or Remedial Actions related in any way to any such assets or properties of any Borrower or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"). The foregoing to the contrary notwithstanding, no Borrower shall have any obligation to any Indemnified Person under this Section 10.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence or willful misconduct of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment in full of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which Borrowers were required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrowers with respect thereto. **WITHOUT LIMITATION, THE FOREGOING INDEMNITY SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO INDEMNIFIED LIABILITIES WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF ANY NEGLIGENT ACT OR OMISSION OF SUCH INDEMNIFIED PERSON OR OF ANY OTHER PERSON.**

11. **NOTICES.**

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, electronic mail (at such email addresses as a party may designate in accordance herewith), or telefacsimile. In the case of notices or demands to Parent or any Borrower or Agent, as the case may be, they shall be sent to the respective address set forth below:

If to Parent, any Borrower, or any other Loan Party:	**INFUSYSTEM, INC.** 31700 Research Park Drive Madison Heights, MI 48071-4627 Attn: Chief Financial Officer Fax No.: (832) 218-2761 (832) 201-7745
with copies to:	**CROWELL & MORING LLP** 275 Battery Street, 23rd Floor San Francisco, CA 94111 Attn: Murray Indick Fax No.: (415) 986-2827
If to Agent:	**WELLS FARGO BANK, NATIONAL ASSOCIATION** 2450 Colorado Avenue Suite 3000 West Santa Monica, CA 90404 Attn: Specialty Finance Manager Fax No.: (310) 453-7442
with copies to:	**PAUL HASTINGS LLP** 515 South Flower Street, 25th Floor Los Angeles, CA 90071 Attn: John Francis Hilson, Esq. Fax No.: (213) 996-3300
If to PennantPark Investment Corporation or PennantPark Credit Opportunities Fund, L.P.:	**PENNANTPARK INVESTMENT CORPORATION** c/o PennantPark Investment Advisers, LLC 590 Madison Avenue, 15th Floor New York, NY 10022 Attention: Ryan Raskopf email: raskopf@pennantpark.com

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or 3 Business Days after the deposit thereof in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given

when received, (b) notices by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

12. **CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISION.**

(a) **THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO, AND ANY CLAIMS, CONTROVERSIES OR DISPUTES ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.**

(b) **THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12(b).**

(c) **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS, IF ANY, TO A JURY TRIAL OF ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION DIRECTLY OR INDIRECTLY BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS (EACH A "CLAIM"). EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.**

(d) **EACH LOAN PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT MAY**

OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(e) **NO CLAIM MAY BE MADE BY ANY LOAN PARTY AGAINST THE AGENT, THE SWING LENDER, ANY OTHER LENDER, ISSUING BANK, OR ANY AFFILIATE, DIRECTOR, OFFICER, EMPLOYEE, COUNSEL, REPRESENTATIVE, AGENT, OR ATTORNEY-IN-FACT OF ANY OF THEM FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OR LOSSES IN RESPECT OF ANY CLAIM FOR BREACH OF CONTRACT OR ANY OTHER THEORY OF LIABILITY ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR ANY ACT, OMISSION, OR EVENT OCCURRING IN CONNECTION THEREWITH, AND EACH LOAN PARTY HEREBY WAIVES, RELEASES, AND AGREES NOT TO SUE UPON ANY CLAIM FOR SUCH DAMAGES, WHETHER OR NOT ACCRUED AND WHETHER OR NOT KNOWN OR SUSPECTED TO EXIST IN ITS FAVOR.**

(f) **IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CLAIM AND THE WAIVER SET FORTH IN CLAUSE (C) ABOVE IS NOT ENFORCEABLE IN SUCH PROCEEDING, THE PARTIES HERETO AGREE AS FOLLOWS:**

(i) **WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBCLAUSE (ii) BELOW, ANY CLAIM SHALL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE. VENUE FOR THE REFERENCE PROCEEDING SHALL BE IN THE COUNTY OF LOS ANGELES, CALIFORNIA.**

(ii) **THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING SET-OFF OR RECOUPMENT), (C) APPOINTMENT OF A RECEIVER, AND (D) TEMPORARY, PROVISIONAL, OR ANCILLARY REMEDIES (INCLUDING WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS, OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A)—(D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO PARTICIPATE IN A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT WITH RESPECT TO ANY OTHER MATTER.**

(iii) **UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN 10 DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY SHALL HAVE THE RIGHT TO REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B). THE REFEREE SHALL BE APPOINTED TO SIT WITH ALL OF THE POWERS PROVIDED BY LAW. PENDING APPOINTMENT OF THE REFEREE, THE COURT SHALL HAVE THE POWER TO ISSUE TEMPORARY OR PROVISIONAL REMEDIES.**

(iv) **EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE REFEREE SHALL DETERMINE THE MANNER IN WHICH THE REFERENCE PROCEEDING IS CONDUCTED INCLUDING THE TIME AND PLACE OF HEARINGS, THE ORDER OF PRESENTATION OF EVIDENCE, AND ALL OTHER QUESTIONS THAT ARISE WITH RESPECT TO**

THE COURSE OF THE REFERENCE PROCEEDING. ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS A COURT REPORTER AND A TRANSCRIPT IS ORDERED, A COURT REPORTER SHALL BE USED AND THE REFEREE SHALL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY THE COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(v) **THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND SHALL ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA.**

(vi) **THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH CALIFORNIA SUBSTANTIVE AND PROCEDURAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS OR HER DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE REFEREE SHALL ISSUE A DECISION AND PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE, SECTION 644, THE REFEREE'S DECISION SHALL BE ENTERED BY THE COURT AS A JUDGMENT IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. THE FINAL JUDGMENT OR ORDER FROM ANY APPEALABLE DECISION OR ORDER ENTERED BY THE REFEREE SHALL BE FULLY APPEALABLE AS IF IT HAS BEEN ENTERED BY THE COURT.**

(vii) **THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH PARTY HERETO KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION SHALL APPLY TO ANY DISPUTE BETWEEN THEM THAT ARISES OUT OF OR IS RELATED TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS.**

13. **ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.**

13.1 **Assignments and Participations.**

(a) (i) Subject to the conditions set forth in clause (a)(ii) below, any Lender may assign and delegate all or any portion of its rights and duties under the Loan Documents (including the Obligations owed to it and its Commitments) to one or more assignees so long as such prospective assignee is an Eligible Transferee (each, an "Assignee"), with the prior written consent (such consent not be unreasonably withheld or delayed) of:

(A) Borrowers; provided, that no consent of Borrowers shall be required (1) if an Event of Default has occurred and is continuing, or (2) in connection with an assignment to a Person that is a Lender or an Affiliate (other than natural persons) of a Lender; provided further, that Borrowers shall be deemed to have consented to a proposed assignment unless they object thereto by written notice to Agent within 5 Business Days after having received notice thereof; and

(B) Agent, Swing Lender, and Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) no assignment may be made to a natural person,

(B) no assignment may be made to a Loan Party or any Affiliate of a Loan Party or any Subsidiary of any Loan Party,

(C) the amount of the Commitments and the other rights and obligations of the assigning Lender hereunder and under the other Loan Documents subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Agent) shall be in a minimum amount (unless waived by Agent) of $5,000,000 (except such minimum amount shall not apply to (I) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender, or a Related Fund of such Lender or (II) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $5,000,000),

(D) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement,

(E) the parties to each assignment shall execute and deliver to Agent an Assignment and Acceptance; provided, that Borrowers and Agent may continue to deal solely and directly with the assigning Lender in connection with the interest so assigned to an Assignee until written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Borrowers and Agent by such Lender and the Assignee,

(F) unless waived by Agent, the assigning Lender or Assignee has paid to Agent, for Agent's separate account, a processing fee in the amount of $3,500, and

(G) the assignee, if it is not a Lender, shall deliver to Agent an Administrative Questionnaire in a form approved by Agent (the "Administrative Questionnaire").

(b) From and after the date that Agent receives the executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall be a "Lender" and shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 10.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it

has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the Commitments arising therefrom. The Commitment allocated to each Assignee shall reduce such Commitments of the assigning Lender *pro tanto*.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons (a "Participant") participating interests in all or any portion of its Obligations, its Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations, the Commitments, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrowers, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decreases the amount or postpones the due dates of scheduled principal repayments or prepayments or premiums payable to such Participant through such Lender, (v) no participation shall be sold to a natural person, (vi) no participation shall be sold to a Loan Party, any Affiliate of a Loan Party, or any Subsidiary of any Loan Party, and (vii) all amounts payable by Borrowers hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Borrowers, the Collateral, or otherwise in respect of the Obligations. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all documents and information which it now or hereafter may have relating to Parent and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement in favor of (i) any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law or (ii) any Eligible Transferee that is a bank or insurance company engaged in the making, purchasing, holding, or otherwise investing in commercial loans and similar extensions of credit, as collateral security for Indebtedness of such Lender, and such Person may enforce such pledge or security interest in any manner permitted under applicable law (including the transfer of interests in connection therewith); provided, that no such pledge or grant of a security interest or transfer (whether by foreclosure or otherwise) in reliance on this clause (ii) shall (x) release the pledging Lender from any of its obligations hereunder or under any other Loan Document, or (y) substitute any such pledgee or secured party or any transferee thereof (whether by foreclosure or otherwise) for such Lender as a "Lender" party hereto or entitle such Person to exercise any of the rights of a Lender under the Loan Documents, in each case, unless (1) such pledgee or secured party or transferee (whether by foreclosure or otherwise) is an Eligible Transferee, (2) becomes a Lender hereunder in accordance with the terms of Section 13.1(a) (except that Borrower consent shall not be required) and the other terms of this Agreement, and (3) joins the agreement described in Section 13.3 on terms (including with respect to pricing arrangements) and conditions satisfactory to Agent as a condition to such Person becoming a party to this Agreement as a Lender.

(h) Agent (as a non-fiduciary agent on behalf of Borrowers) shall maintain, or cause to be maintained, a register (the "Register") on which it enters the name and address of each Lender as the registered owner of the Term Loans (and the principal amount thereof and stated interest thereon) held by such Lender (each, a "Registered Loan"). Other than in connection with an assignment by a Lender of all or any portion of its portion of the Term Loans to an Affiliate of such Lender or a Related Fund of such Lender (i) a Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide) and (ii) any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrowers shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary. In the case of any assignment by a Lender of all or any portion of its Term Loans to an Affiliate of such Lender or a Related Fund of such Lender, and which assignment is not recorded in the Register, the assigning Lender, on behalf of Borrowers, shall maintain a register comparable to the Register.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as a non-fiduciary agent on behalf of Borrowers, shall maintain (or cause to be maintained) a register on which it enters the name of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"). A Registered Loan (and the Registered Note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register.

(j) Agent shall make a copy of the Register (and each Lender shall make a copy of its Participant Register in the extent it has one) available for review by Borrowers from time to time as Borrowers may reasonably request.

13.2 **Successors.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, that no Borrower may assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and any prohibited assignment shall be absolutely void *ab initio.* No consent to assignment by the Lenders shall release any Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and, except as expressly required pursuant to Section 13.1, no consent or approval by any Borrower is required in connection with any such assignment.

13.3 **Agreement Among Lenders.** Agent, Wells Fargo, PennantPark and certain of their respective Affiliates, in their capacities as Lenders, have executed an agreement on the Closing Date pursuant to which such parties have agreed, among other things, to certain voting arrangements relative to matters requiring the approval of the Lenders (including the exercise of remedies) and to certain pricing arrangements. The rights and duties of Agents, WFCF, PennantPark and their respective Affiliates with respect to such matters are subject to such agreement. Anything to the contrary contained herein notwithstanding, any Person that is to become a party to this Agreement as a Lender (regardless of whether by assignment pursuant to Section 13.1 or otherwise) shall join the agreement described in this Section 13.3 on terms (including with respect to pricing arrangements) and conditions satisfactory to Agent as a condition to such Person becoming a party to this Agreement as a Lender.

14. AMENDMENTS; WAIVERS.

14.1 **Amendments and Waivers.**

(a) No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document (other than Bank Product Agreements or the Fee Letter), and no consent with respect to any departure by Parent or any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; provided, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

(i) increase the amount of or extend the expiration date of any Commitment of any Lender or amend, modify, or eliminate the last sentence of Section 2.4(c)(i),

(ii) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document (except (y) in connection with the waiver of applicability of Section 2.6(c) (which waiver shall be effective with the written consent of the Required Lenders),

(iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,

(v) amend, modify, or eliminate Section 3.1 or 3.2,

(vi) amend, modify, or eliminate Section 15.11,

(vii) other than as permitted by Section 15.11, release Agent's Lien in and to any of the Collateral,

(viii) amend, modify, or eliminate the definitions of "Required Lenders", "Required Revolving Lenders", "Required Senior Lenders", "Required Term Loan A Lenders", "Required Junior Lenders", "Senior Pro Rata Share", "Term Loan B Pro Rata Share" or "Pro Rata Share",

(ix) contractually subordinate any of Agent's Liens,

(x) other than in connection with a merger, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents, release any Borrower or any Guarantor from any obligation for the payment of money or consent to the assignment or transfer by any Borrower or any Guarantor of any of its rights or duties under this Agreement or the other Loan Documents,

(xi) amend, modify, or eliminate any of the provisions of Section 2.4(b)(i) or (ii) or Section 2.4(e) or (f), or

(xii) amend, modify, or eliminate any of the provisions of Section 13.1 with respect to assignments to, or participations with, Persons who are Loan Parties or Affiliates or Subsidiaries of any Loan Party;

(b) No amendment, waiver, modification, or consent shall amend, modify, waive, or eliminate,

(i) the definition of, or any of the terms or provisions of, the Fee Letter, without the written consent of Agent and Borrowers (and shall not require the written consent of any of the Lenders),

(ii) any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Borrowers, and the Required Lenders;

(c) No amendment, waiver, modification, elimination, or consent shall amend, without written consent of Agent, Borrowers and the Required Revolving Lenders, modify, or eliminate the definition of Borrowing Base or any of the defined terms (including the definitions of Eligible Accounts and Eligible Inventory) that are used in such definition to the extent that any such change results in more credit being made available to Borrowers based upon the Borrowing Base, but not otherwise, or the definition of Maximum Revolver Amount, or change Section 2.1(c);

(d) No amendment, waiver, modification, elimination, or consent shall amend, without written consent of Agent, Borrowers and the Required Term Loan A Lenders, modify, or eliminate the definition of Eligible Fixed Assets or Term Loan A Limiter to the extent that any such change results in more credit being made available to Borrowers based upon the Term Loan A Limiter or reduces the amount of any mandatory prepayment required based upon the Term loan A Limited, but not otherwise;

(e) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to Issuing Bank, or any other rights or duties of Issuing Bank under this Agreement or the other Loan Documents, without the written consent of Issuing Bank, Agent, Borrowers, and the Required Lenders;

(f) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive any provision of this Agreement or the other Loan Documents pertaining to Swing Lender, or any other rights or duties of Swing Lender under this Agreement or the other Loan Documents, without the written consent of Swing Lender, Agent, Borrowers, and the Required Lenders; and

(g) Anything in this Section 14.1 to the contrary notwithstanding, (i) any amendment, modification, elimination, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of Parent or any Loan Party, shall not require consent by or the agreement of any Loan Party, and (ii) any amendment, waiver, modification, elimination, or consent of or

with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender other than any of the matters governed by Section 14.1(a)(i) through (iii) that affect such Lender.

14.2 **Replacement of Certain Lenders.**

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16, then Borrowers or Agent, upon at least 5 Business Days prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Non-Consenting Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Non-Consenting Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Non-Consenting Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than 15 Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Non-Consenting Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Non-Consenting Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (without any premium or penalty of any kind whatsoever, but including (i) all interest, fees and other amounts that may be due in payable in respect thereof, and (ii) an assumption of its Pro Rata Share of participations in the Letters of Credit). If the Non-Consenting Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or and on behalf of the Non-Consenting Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Non-Consenting Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Non-Consenting Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the Obligations, the Commitments, and the other rights and obligations of the Non-Consenting Lender or Tax Lender, as applicable, hereunder and under the other Loan Documents, the Non-Consenting Lender or Tax Lender, as applicable, shall remain obligated to make the Non-Consenting Lender's or Tax Lender's, as applicable, Pro Rata Share of Revolving Loans and to purchase a participation in each Letter of Credit, in an amount equal to its Pro Rata Share of participations in such Letters of Credit.

14.3 **No Waivers; Cumulative Remedies.** No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by Parent and each Loan Party of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

15. AGENT; THE LENDER GROUP.

15.1 **Appointment and Authorization of Agent.** Each Lender hereby designates and appoints Wells Fargo as its agent under this Agreement and the other Loan Documents and each Lender hereby irrevocably authorizes (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to designate, appoint, and authorize) Agent to execute and deliver each of the other Loan Documents on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement

or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders (and the Bank Product Providers) on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender (or Bank Product Provider), and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, payments and proceeds of Collateral, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) make Revolving Loans, for itself or on behalf of Lenders, as provided in the Loan Documents, (d) exclusively receive, apply, and distribute payments and proceeds of the Collateral as provided in the Loan Documents, (e) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Parent or its Subsidiaries, the Obligations, the Collateral, or otherwise related to any of same as provided in the Loan Documents, and (g) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents.

15.2 **Delegation of Duties.** Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct.

15.3 **Liability of Agent.** None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders (or Bank Product Providers) for any recital, statement, representation or warranty made by Parent or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of Parent or its Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders (or Bank Product Providers) to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of Parent or its Subsidiaries.

15.4 **Reliance by Agent.** Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, telefacsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrowers or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders (and, if it so elects, the Bank Product Providers) against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders (and Bank Product Providers).

15.5 **Notice of Default or Event of Default.** Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or Borrowers referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 15.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 9; provided, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

15.6 **Credit Decision.** Each Lender (and Bank Product Provider) acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Parent and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender (or Bank Product Provider). Each Lender represents (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to represent) to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of each Borrower or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrowers. Each Lender also represents (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to represent) that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of each Borrower or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender (or Bank Product Provider) with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Borrower or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender (or Bank Product Provider) with any credit or other information with

respect to any Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement (or such Bank Product Provider entered into a Bank Product Agreement).

15.7 **Costs and Expenses; Indemnification.** Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, attorneys fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Borrowers are obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from payments or proceeds of the Collateral received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders (or Bank Product Providers). In the event Agent is not reimbursed for such costs and expenses by Parent or its Subsidiaries, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Borrowers and without limiting the obligation of Borrowers to do so) from and against any and all Indemnified Liabilities; provided, that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct nor shall any Lender be liable for the obligations of any Defaulting Lender in failing to make a Revolving Loan or other extension of credit hereunder. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out of pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive the payment of all Obligations hereunder and the resignation or replacement of Agent.

15.8 **Agent in Individual Capacity.** Wells Fargo and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide Bank Products to, acquire Equity Interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Document as though Wells Fargo were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, pursuant to such activities, Wells Fargo or its Affiliates may receive information regarding Parent or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Parent or any Loan Party or such other Person and that prohibit the disclosure of such information to the Lenders (or Bank Product Providers), and the Lenders acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" include Wells Fargo in its individual capacity.

15.9 **Successor Agent.** Agent may resign as Agent upon 30 days (10 days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders) and Borrowers (unless such notice is waived by Borrowers) and without any notice to the Bank Product Providers. If Agent resigns under this Agreement, the Required Lenders shall be entitled, with (so long as no Event of Default has occurred and is continuing) the consent of Borrowers (such consent not to be unreasonably withheld, delayed, or conditioned), appoint a successor Agent for the Lenders (and the Bank Product Providers). If, at the time that Agent's resignation is effective, it is acting as Issuing Bank or the Swing Lender, such resignation shall also operate to effectuate its resignation as Issuing Bank or the Swing Lender, as applicable, and it shall

automatically be relieved of any further obligation to issue Letters of Credit, or to make Swing Loans. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Lenders and Borrowers, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders with (so long as no Event of Default has occurred and is continuing) the consent of Borrowers (such consent not to be unreasonably withheld, delayed, or conditioned). In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is 30 days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

15.10 **Lender in Individual Capacity.** Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide Bank Products to, acquire Equity Interests in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group (or the Bank Product Providers). The other members of the Lender Group acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding Parent or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Parent or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to acknowledge) that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

15.11 **Collateral Matters**.

(a) The Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent to release any Lien on any Collateral (i) upon the termination of the Commitments and payment and satisfaction in full by Borrowers of all of the Obligations, (ii) constituting property being sold or disposed of if a release is required or desirable in connection therewith and if Borrowers certify to Agent that the sale or disposition is permitted under Section 6.4 (and Agent may rely conclusively on any such certificate, without further inquiry), (iii) constituting property in which none of Parent or its Subsidiaries owned any interest at the time Agent's Lien was granted nor at any time thereafter, (iv) constituting property leased or licensed to Parent or its Subsidiaries under a lease or license that has expired or is terminated in a transaction permitted under this Agreement, or (v) in connection with a credit bid or purchase authorized under this Section 15.11.

(b) The Loan Parties and the Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent, based upon the instruction of the Required Senior Lenders to (a) consent to, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any other sale or foreclosure conducted or consented to by Agent in accordance with applicable law in any judicial

action or proceeding or by the exercise of any legal or equitable remedy. Agent, based upon the instruction of the Required Senior Lenders, may accept non-cash consideration, including debt and equity securities issued by any entities used to consummate such credit bid or purchase and in connection therewith Agent may reduce the Obligations owed to the Lenders and the Bank Product Providers based upon the value of such non-cash consideration.

(c) So long as all of the Obligations (other than any Obligations owed to any Term Loan B Lenders) are paid in full in cash in connection therewith, the Loan Parties and the Lenders hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to authorize) Agent, based upon the instruction of the Required Junior Lenders to (a) consent to, credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code, including Section 363 of the Bankruptcy Code, (b) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code, including pursuant to Sections 9-610 or 9-620 of the Code, or (c) credit bid or purchase (either directly or indirectly through one or more entities) all or any portion of the Collateral at any other sale or foreclosure conducted or consented to by Agent in accordance with applicable law in any judicial action or proceeding or by the exercise of any legal or equitable remedy.

(d) Except as provided above, Agent will not execute and deliver a release of any Lien on any Collateral without the prior written authorization of (y) if the release is of all or substantially all of the Collateral, all of the Lenders (without requiring the authorization of the Bank Product Providers), or (z) otherwise, the Required Lenders (without requiring the authorization of the Bank Product Providers). Upon request by Agent or Borrowers at any time, the Lenders will (and if so requested, the Bank Product Providers will) confirm in writing Agent's authority to release any such Liens on particular types or items of Collateral pursuant to this Section 15.11; provided, that (1) anything to the contrary contained in any of the Loan Documents notwithstanding, Agent shall not be required to execute any document or take any action necessary to evidence such release on terms that, in Agent's opinion, could expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly released) upon (or obligations of Borrowers in respect of) any and all interests retained by any Borrower, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral. Each Lender further hereby irrevocably authorize (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to irrevocably authorize) Agent, at its option and in its sole discretion, to subordinate any Lien granted to or held by Agent under any Loan Document to the holder of any Permitted Lien on such property if such Permitted Lien secures Permitted Purchase Money Indebtedness.

(e) Agent shall have no obligation whatsoever to any of the Lenders (or the Bank Product Providers) (i) to verify or assure that the Collateral exists or is owned by Parent or its Subsidiaries or is cared for, protected, or insured or has been encumbered, (ii) to verify or assure that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, (iii) to verify or assure that any particular items of Collateral meet the eligibility criteria applicable in respect thereof, (iv) to impose, maintain, increase, reduce, implement, or eliminate any particular reserve hereunder or to determine whether the amount of any reserve is appropriate or not, or (v) to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion given Agent's own interest in the Collateral in its capacity as one of the Lenders and that Agent shall have no other duty or liability whatsoever to any Lender (or Bank Product Provider) as to any of the foregoing, except as otherwise expressly provided herein.

15.12 **Restrictions on Actions by Lenders; Sharing of Payments.**

(a) Each of the Lenders agrees that it shall not, without the express written consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of Agent, set off against the Obligations, any amounts owing by such Lender to Parent or its Subsidiaries or any deposit accounts of Parent or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against any Borrower or any Guarantor or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) Subject to any different arrangements specified in the agreement referenced in Section 13.3, if, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agent pursuant to the terms of this Agreement, or (ii) payments from Agent in excess of such Lender's Pro Rata Share of all such distributions by Agent, such Lender promptly shall (A) turn the same over to Agent, in kind, and with such endorsements as may be required to negotiate the same to Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

15.13 **Agency for Perfection.** Agent hereby appoints each other Lender (and each Bank Product Provider) as its agent (and each Lender hereby accepts (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to accept) such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent thereof, and, promptly upon Agent's request therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

15.14 **Payments by Agent to the Lenders.** All payments to be made by Agent to the Lenders (or Bank Product Providers) shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

15.15 **Concerning the Collateral and Related Loan Documents.** Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents. Each member of the Lender Group agrees (and by entering into a Bank Product Agreement, each Bank Product Provider shall be deemed to agree) that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders (and such Bank Product Provider).

15.16 **Field Examination Reports; Confidentiality; Disclaimers by Lenders; Other Reports and Information.** By becoming a party to this Agreement, each Lender:

(a) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each field examination report respecting Parent or its Subsidiaries (each, a "Report") prepared by or at the request of Agent, and Agent shall so furnish each Lender with such Reports,

(b) expressly agrees and acknowledges that Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(c) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or other party performing any field examination will inspect only specific information regarding Parent and its Subsidiaries and will rely significantly upon Parent's and its Subsidiaries' books and records, as well as on representations of Borrowers' personnel,

(d) agrees to keep all Reports and other material, non-public information regarding Parent and its Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 17.9, and

(e) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Borrowers, and (ii) to pay and protect, and indemnify, defend and hold Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys fees and costs) incurred by Agent and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

(f) In addition to the foregoing, (x) any Lender may from time to time request of Agent in writing that Agent provide to such Lender a copy of any report or document provided by Parent or its Subsidiaries to Agent that has not been contemporaneously provided by Parent or such Subsidiary to such Lender, and, upon receipt of such request, Agent promptly shall provide a copy of same to such Lender, (y) to the extent that Agent is entitled, under any provision of the Loan Documents, to request additional reports or information from Parent or its Subsidiaries, any Lender may, from time to time, reasonably request Agent to exercise such right as specified in such Lender's notice to Agent, whereupon Agent promptly shall request of Borrowers the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from Parent or such Subsidiary, Agent promptly shall provide a copy of same to such Lender, and (z) any time that Agent renders to Borrowers a statement regarding the Loan Account or the Term B Loan Account, Agent shall send a copy of such statement to each Lender.

15.17 **Several Obligations; No Liability.** Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of Agent (if any) to make any credit available hereunder shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis, according to their respective Commitments, to make an amount of such credit not to exceed, in principal amount, at any one time outstanding, the amount of their respective Commitments. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 15.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to any Borrower or any other Person for any failure by any other Lender (or Bank Product Provider) to fulfill its obligations to make credit available hereunder, nor to advance for such Lender (or Bank Product Provider) or on its behalf, nor to take any other action on behalf of such Lender (or Bank Product Provider) hereunder or in connection with the financing contemplated herein.

15.18 **Lead Arranger, Book Runner, Syndication Agent, and Documentation Agent.** Each of the Lead Arranger, Book Runner, Syndication Agent, and Documentation Agent, in such capacities, shall not have any

right, power, obligation, liability, responsibility, or duty under this Agreement other than those applicable to it in its capacity as a Lender, as Agent, as Swing Lender, or as Issuing Bank. Without limiting the foregoing, each of the Lead Arranger, Book Runner, Syndication Agent, and Documentation Agent, in such capacities, shall not have or be deemed to have any fiduciary relationship with any Lender or any Loan Party. Each Lender, Agent, Swing Lender, Issuing Bank, and each Loan Party acknowledges that it has not relied, and will not rely, on the Lead Arranger, Book Runners, Syndication Agent, and Documentation Agent in deciding to enter into this Agreement or in taking or not taking action hereunder. Each of the Lead Arranger, Book Runner, Syndication Agent, and Documentation Agent, in such capacities, shall be entitled to resign at any time by giving notice to Agent and Borrowers.

16. **WITHHOLDING TAXES.**

16.1 **Payments.** All payments made by Borrowers hereunder or under any note or other Loan Document will be made without setoff, counterclaim, or other defense. In addition, all such payments will be made free and clear of, and without deduction or withholding for, any present or future Indemnified Taxes, and in the event any deduction or withholding of Indemnified Taxes is required, Borrowers shall comply with the next sentence of this Section 16.1. If any Indemnified Taxes are so levied or imposed, Borrowers agree to pay the full amount of such Indemnified Taxes and such additional amounts as may be necessary so that every payment of all amounts due under this Agreement, any note, or Loan Document, including any amount paid pursuant to this Section 16.1 after withholding or deduction for or on account of any Indemnified Taxes, will not be less than the amount provided for herein; provided, that Borrowers shall not be required to increase any such amounts to the extent that the increase in such amount payable results from Agent's or such Lender's own willful misconduct or gross negligence (as finally determined by a court of competent jurisdiction). Borrowers will furnish to Agent as promptly as possible after the date the payment of any Tax paid in connection with this Agreement is due pursuant to applicable law, certified copies of Tax receipts evidencing such payment by Borrowers. Borrowers agree to pay any present or future stamp, value added or documentary taxes or any other excise or property taxes, charges, or similar levies that arise from any payment made hereunder or from the execution, delivery, performance, recordation, or filing of, or otherwise with respect to this Agreement or any other Loan Document.

16.2 **Exemptions.**

(a) If a Lender or Participant is entitled to claim an exemption or reduction from United States withholding tax, such Lender or Participant agrees with and in favor of Agent, to deliver to Agent (or, in the case of a Participant, to the Lender granting the participation only) one of the following before receiving its first payment under this Agreement:

(i) if such Lender or Participant is entitled to claim an exemption from United States withholding tax pursuant to the portfolio interest exception, (A) a statement of the Lender or Participant, signed under penalty of perjury, that it is not a (I) a "bank" as described in Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of Parent (within the meaning of Section 871(h)(3)(B) of the IRC), or (III) a controlled foreign corporation related to Borrowers within the meaning of Section 864(d)(4) of the IRC, and (B) a properly completed and executed IRS Form W-8BEN or Form W-8IMY (with proper attachments);

(ii) if such Lender or Participant is entitled to claim an exemption from, or a reduction of, withholding tax under a United States tax treaty, a properly completed and executed copy of IRS Form W-8BEN;

(iii) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Lender, a properly completed and executed copy of IRS Form W-8ECI;

(iv) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding tax because such Lender or Participant serves as an intermediary, a properly completed and executed copy of IRS Form W-8IMY (with proper attachments); or

(v) a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, United States withholding or backup withholding tax.

(b) Each Lender or Participant shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms and to promptly notify Agent (or, in the case of a Participant, to the Lender granting the participation only) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(c) If a Lender or Participant claims an exemption from withholding tax in a jurisdiction other than the United States, such Lender or such Participant agrees with and in favor of Agent, to deliver to Agent (or, in the case of a Participant, to the Lender granting the participation only) any such form or forms, as may be required under the laws of such jurisdiction as a condition to exemption from, or reduction of, foreign withholding or backup withholding tax before receiving its first payment under this Agreement, but only if such Lender or such Participant is legally able to deliver such forms, provided, that nothing in this Section 16.2(c) shall require a Lender or Participant to disclose any information that it deems to be confidential (including without limitation, its tax returns). Each Lender and each Participant shall provide new forms (or successor forms) upon the expiration or obsolescence of any previously delivered forms and to promptly notify Agent (or, in the case of a Participant, to the Lender granting the participation only) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(d) If a Lender or Participant claims exemption from, or reduction of, withholding tax and such Lender or Participant sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations of Borrowers to such Lender or Participant, such Lender or Participant agrees to notify Agent (or, in the case of a sale of a participation interest, to the Lender granting the participation only) of the percentage amount in which it is no longer the beneficial owner of Obligations of Borrowers to such Lender or Participant. To the extent of such percentage amount, Agent will treat such Lender's or such Participant's documentation provided pursuant to Section 16.2(a) or 16.2(c) as no longer valid. With respect to such percentage amount, such Participant or Assignee may provide new documentation, pursuant to Section 16.2(a) or 16.2(c), if applicable. Borrowers agree that each Participant shall be entitled to the benefits of this Section 16 with respect to its participation in any portion of the Commitments and the Obligations so long as such Participant complies with the obligations set forth in this Section 16 with respect thereto.

16.3 **Reductions.**

(a) If a Lender or a Participant is entitled to a reduction in the applicable withholding tax, Agent (or, in the case of a Participant, to the Lender granting the participation) may withhold from any interest payment to such Lender or such Participant an amount equivalent to the applicable withholding tax after taking into account such reduction (except to the extent such tax is owed as the result of a Change in Law). If the forms or other documentation required by Section 16.2(a) or 16.2(c) are not delivered to Agent (or, in the case of a Participant, to the Lender granting the participation), then Agent (or, in the case of a Participant, to the Lender granting the participation) may withhold from any interest payment to such Lender or such Participant not providing such forms or other documentation an amount equivalent to the applicable withholding tax.

(b) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that Agent (or, in the case of a Participant, to the Lender granting the participation) did not properly withhold tax from amounts paid to or for the account of any Lender or any Participant due to a failure on the part of the Lender or any Participant (because the appropriate form was not delivered, was not properly executed, or because such Lender failed to notify Agent (or such Participant failed to notify the Lender granting the

participation) of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify and hold Agent harmless (or, in the case of a Participant, such Participant shall indemnify and hold the Lender granting the participation harmless) for all amounts paid, directly or indirectly, by Agent (or, in the case of a Participant, to the Lender granting the participation), as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Agent (or, in the case of a Participant, to the Lender granting the participation only) under this Section 16, together with all costs and expenses (including attorneys fees and expenses). The obligation of the Lenders and the Participants under this subsection shall survive the payment of all Obligations and the resignation or replacement of Agent.

16.4 **Refunds.** If Agent or a Lender determines, in its sole discretion, that it has received a refund of any Indemnified Taxes to which Borrowers have paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to Borrowers (but only to the extent of payments made, or additional amounts paid, by Borrowers under this Section 16 with respect to Indemnified Taxes giving rise to such a refund), net of all out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the applicable Governmental Authority with respect to such a refund); provided, that Borrowers, upon the request of Agent or such Lender, agrees to repay the amount paid over to Borrowers (plus any penalties, interest or other charges, imposed by the applicable Governmental Authority, other than such penalties, interest or other charges imposed as a result of the willful misconduct or gross negligence of Agent hereunder) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything in this Agreement to the contrary, this Section 16 shall not be construed to require Agent or any Lender to make available its tax returns (or any other information which it deems confidential) to Borrowers or any other Person.

17. GENERAL PROVISIONS.

17.1 **Effectiveness.** This Agreement shall be binding and deemed effective when executed by Parent, Holdings, each Borrower, Agent, and each Lender whose signature is provided for on the signature pages hereof.

17.2 **Section Headings.** Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3 **Interpretation.** Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4 **Severability of Provisions.** Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5 **Bank Product Providers.** Each Bank Product Provider in its capacity as such shall be deemed a third party beneficiary hereof and of the provisions of the other Loan Documents for purposes of any reference in a Loan Document to the parties for whom Agent is acting. Agent hereby agrees to act as agent for such Bank Product Providers and, by virtue of entering into a Bank Product Agreement, the applicable Bank Product Provider shall be automatically deemed to have appointed Agent as its agent and to have accepted the benefits of the Loan Documents. It is understood and agreed that the rights and benefits of each Bank Product Provider under the Loan Documents consist exclusively of such Bank Product Provider's being a beneficiary of the Liens and security interests (and, if applicable, guarantees) granted to Agent and the right to share in payments and collections out of the Collateral as more fully set forth herein. In addition, each Bank Product Provider, by virtue of entering into a Bank Product Agreement, shall be automatically deemed to have agreed that Agent shall have the right, but shall have no obligation, to establish, maintain, relax, or release reserves in respect of the Bank Product Obligations and that if reserves are established there is no obligation on the part of Agent to determine or insure whether the amount

of any such reserve is appropriate or not. In connection with any such distribution of payments or proceeds of Collateral, Agent shall be entitled to assume no amounts are due or owing to any Bank Product Provider unless such Bank Product Provider has provided a written certification (setting forth a reasonably detailed calculation) to Agent as to the amounts that are due and owing to it and such written certification is received by Agent a reasonable period of time prior to the making of such distribution. Agent shall have no obligation to calculate the amount due and payable with respect to any Bank Products, but may rely upon the written certification of the amount due and payable from the applicable Bank Product Provider. In the absence of an updated certification, Agent shall be entitled to assume that the amount due and payable to the applicable Bank Product Provider is the amount last certified to Agent by such Bank Product Provider as being due and payable (less any distributions made to such Bank Product Provider on account thereof). Borrowers may obtain Bank Products from any Bank Product Provider, although Borrowers are not required to do so. Each Borrower acknowledges and agrees that no Bank Product Provider has committed to provide any Bank Products and that the providing of Bank Products by any Bank Product Provider is in the sole and absolute discretion of such Bank Product Provider. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, no provider or holder of any Bank Product shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of such agreements or products or the Obligations owing thereunder, nor shall the consent of any such provider or holder be required (other than in their capacities as Lenders, to the extent applicable) for any matter hereunder or under any of the other Loan Documents, including as to any matter relating to the Collateral or the release of Collateral or Guarantors.

17.6 **Debtor-Creditor Relationship.** The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

17.7 **Counterparts; Electronic Execution.** This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

17.8 **Revival and Reinstatement of Obligations; Certain Waivers.**

(a) If any member of the Lender Group or any Bank Product Provider repays, refunds, restores, or returns in whole or in part, any payment or property (including any proceeds of Collateral) previously paid or transferred to such member of the Lender Group or such Bank Product Provider in full or partial satisfaction of any Obligation or on account of any other obligation of any Loan Party under any Loan Document or any Bank Product Agreement, because the payment, transfer, or the incurrence of the obligation so satisfied is asserted or declared to be void, voidable, or otherwise recoverable under any law relating to creditors' rights, including provisions of the Bankruptcy Code relating to fraudulent transfers, preferences, or other voidable or recoverable obligations or transfers (each, a "Voidable Transfer"), or because such member of the Lender Group or Bank Product Provider elects to do so on the reasonable advice of its counsel in connection with a claim that the payment, transfer, or incurrence is or may be a Voidable Transfer, then, as to any such Voidable Transfer, or the amount thereof that such member of the Lender Group or Bank Product Provider elects to repay, restore, or return (including pursuant to a settlement of any claim in respect thereof), and as to all reasonable costs, expenses, and attorneys fees of such member of the Lender Group or Bank Product Provider related thereto, (i) the liability of the Loan Parties with respect to the amount or property paid, refunded, restored, or returned will automatically and

immediately be revived, reinstated, and restored and will exist and (ii) Agent's Liens securing such liability shall be effective, revived, and remain in full force and effect, in each case, as fully as if such Voidable Transfer had never been made. If, prior to any of the foregoing, (A) Agent's Liens shall have been released or terminated or (B) any provision of this Agreement shall have been terminated or cancelled, Agent's Liens, or such provision of this Agreement, shall be reinstated in full force and effect and such prior release, termination, cancellation or surrender shall not diminish, release, discharge, impair or otherwise affect the obligation of any Loan Party in respect of such liability or any Collateral securing such liability.

(b) Anything to the contrary contained herein notwithstanding, if Agent or any Lender accepts a guaranty of only a portion of the Obligations pursuant to any guaranty, each Borrower hereby waive its right under Section 2822(a) of the California Civil Code or any similar laws of any other applicable jurisdiction to designate the portion of the Obligations satisfied by the applicable guarantor's partial payment.

17.9 **Confidentiality.**

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that material, non-public information regarding Parent and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group (including the Bank Product Providers), provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.9, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under this clause (iv), the disclosing party agrees to provide Borrowers with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Borrowers pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under this clause (iv) shall be limited to the portion of the Confidential Information as may be required by such statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrowers, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, provided, that, (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide Borrowers with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Borrowers pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement (and such Person may disclose such Confidential Information to Persons employed or engaged by them as described in clause (i) above), (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents; provided, that, prior to any disclosure to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (ix) with respect to litigation involving any Person (other than any Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Borrowers with prior written notice thereof, and (x) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Loan Document.

(b) Anything in this Agreement to the contrary notwithstanding, Agent may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or in its marketing or promotional materials, with such information to consist of deal terms and other information customarily found in such publications or marketing or promotional materials and may otherwise use the name, logos, and other insignia of any Borrower or the other Loan Parties and the Commitments provided hereunder in any "tombstone" or other advertisements, on its website or in other marketing materials of the Agent.

(c) The Loan Parties hereby acknowledge that Agent or its Affiliates may make available to the Lenders materials or information provided by or on behalf of Borrowers hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks, SyndTrak or another similar electronic system (the "Platform") and certain of the Lenders may be "public- side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties shall be deemed to have authorized Agent and its Affiliates and the Lenders to treat Borrower Materials marked "PUBLIC" or otherwise at any time filed with the SEC as not containing any material non-public information with respect to the Loan Parties or their securities for purposes of United States federal and state securities laws. All Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor" (or another similar term). Agent and its Affiliates and the Lenders shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" or that are not at any time filed with the SEC as being suitable only for posting on a portion of the Platform not marked as "Public Investor" (or such other similar term).

(d) During the course of field examinations and other visits, inspections, examinations and discussions, representatives of the Agent and the Lenders may encounter individually identifiable healthcare information as defined under HIPAA, or other confidential information relating to healthcare patients (collectively, the "Confidential Healthcare Information"). The Loan Party maintaining such Confidential Healthcare Information shall, consistent with HIPAA's "minimum necessary" provisions, permit such disclosure for their "healthcare operations" purposes. Unless otherwise required by law, the Agents, the Lenders and their respective representatives shall not require or perform any act that would cause the Loan Parties or any of their Subsidiaries to violate any laws, regulations or ordinances intended to protect the privacy rights of healthcare patients, including, without limitation, HIPAA.

17.10 **Survival.** All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent, Issuing Bank, or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of, or any accrued interest on, any Loan or any fee or any other amount payable under this Agreement is outstanding or unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or been terminated.

17.11 **Patriot Act.** Each Lender that is subject to the requirements of the Patriot Act hereby notifies Borrowers that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender to identify each Borrower in accordance with the Patriot Act. In addition, if Agent is required by law or regulation or internal policies to do so, it shall have the right to periodically conduct (a) Patriot Act searches, OFAC/PEP searches, and customary individual background checks for the Loan Parties and (b) OFAC/PEP searches and customary individual background checks for the Loan Parties' senior management and key principals, and each Borrower agrees to cooperate in respect of the conduct of such searches and further agrees that the reasonable costs and charges for such searches shall constitute Lender Group Expenses hereunder and be for the account of Borrowers.

17.12 **Integration.** This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof. The foregoing to the contrary notwithstanding, all Bank Product Agreements, if any, are independent agreements governed by the written provisions of such Bank Product Agreements, which will remain in full force and effect, unaffected by any repayment, prepayments, acceleration, reduction, increase, or change in the terms of any credit extended hereunder, except as otherwise expressly provided in such Bank Product Agreement.

17.13 **Infusystem as Agent for Borrowers.** Each Borrower hereby irrevocably appoints Infusystem as the borrowing agent and attorney-in-fact for all Borrowers (the "Administrative Borrower") which appointment shall remain in full force and effect unless and until Agent shall have received prior written notice signed by each Borrower that such appointment has been revoked and that another Borrower has been appointed Administrative Borrower. Each Borrower hereby irrevocably appoints and authorizes the Administrative Borrower (a) to provide Agent with all notices with respect to Revolving Loans and Letters of Credit obtained for the benefit of any Borrower and all other notices and instructions under this Agreement and the other Loan Documents (and any notice or instruction provided by Administrative Borrower shall be deemed to be given by Borrowers hereunder and shall bind each Borrower), (b) to receive notices and instructions from members of the Lender Group (and any notice or instruction provided by any member of the Lender Group to the Administrative Borrower in accordance with the terms hereof shall be deemed to have been given to each Borrower), and (c) to take such action as the Administrative Borrower deems appropriate on its behalf to obtain Revolving Loans and Letters of Credit and to exercise such other powers as are reasonably incidental thereto to carry out the purposes of this Agreement. It is understood that the handling of the Loan Account, the Term B Loan Account, and Collateral in a combined fashion, as more fully set forth herein, is done solely as an accommodation to Borrowers in order to utilize the collective borrowing powers of Borrowers in the most efficient and economical manner and at their request, and that Lender Group shall not incur liability to any Borrower as a result hereof. Each Borrower expects to derive benefit, directly or indirectly, from the handling of the Loan Account, the Term B Loan Account, and Collateral in a combined fashion since the successful operation of each Borrower is dependent on the continued successful performance of the integrated group. To induce the Lender Group to do so, and in consideration thereof, each Borrower hereby jointly and severally agrees to indemnify each member of the Lender Group and hold each member of the Lender Group harmless against any and all liability, expense, loss or claim of damage or injury, made against the Lender Group by any Borrower or by any third party whosoever, arising from or incurred by reason of (i) the handling of the Loan Account, the Term B Loan Account, and Collateral of Borrowers as herein provided, or (ii) the Lender Group's relying on any instructions of the Administrative Borrower, except that Borrowers will have no liability to the relevant Agent-Related Person or Lender-Related Person under this Section 17.13 with respect to any liability that has been finally determined by a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of such Agent-Related Person or Lender-Related Person, as the case may be.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

PARENT:

INFUSYSTEM HOLDINGS, INC.,
a Delaware corporation

By: _____
Name: Jonathan P. Foster
Title: Chief Financial Officer

HOLDINGS:

INFUSYSTEM HOLDINGS USA, INC.,
a Delaware corporation

By: _____
Name: Jonathan P. Foster
Title: Chief Financial Officer

BORROWERS:

INFUSYSTEM, INC.,
a California corporation

By: _____
Name: Jonathan P. Foster
Title: Chief Financial Officer

FIRST BIOMEDICAL, INC.,
a Kansas corporation

By: _____
Name: Jonathan P. Foster
Title: Chief Financial Officer

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association, as Agent, as Lead Arranger, as Book Runner, and as a Lender

By: _____
Name: Stacy Hopkins
Title: Authorized Signatory

PENNANTPARK INVESTMENT CORPORATION,
a Maryland corporation, as a Lender

By: _____
Name: Arthur H. Penn
Title: Chief Executive Officer

PENNANTPARK CREDIT OPPORTUNITIES FUND, LP,
a Delaware limited partnershiop, as a Lender

By: _____
Name: Arthur H. Penn
Title: Managing Member of PennantPark Capital, LLC, the General Partner of the Fund

PENNANTPARK FLOATING RATE CAPITAL LTD.,
a Maryland corporation, as a Lender

By: _____
Name: Arthur H. Penn
Title: Chief Executive Officer

[SIGNATURE PAGE TO CREDIT AGREEMENT]

EXHIBIT A-1

FORM OF ASSIGNMENT AND ACCEPTANCE AGREEMENT

This **ASSIGNMENT AND ACCEPTANCE AGREEMENT** ("Assignment and Acceptance") is entered into as of between ("Assignor") and ("Assignee"). Reference is made to the Agreement described in Annex I hereto (the "Credit Agreement"). All initially capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (including Schedule 1.1 thereto).

1. In accordance with the terms and conditions of Section 13 of the Credit Agreement, the Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to the Assignor's rights and obligations under the Loan Documents as of the date hereof with respect to the Obligations owing to the Assignor, and Assignor's portion of the Commitments, all to the extent specified on Annex I.

2. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim and (ii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Acceptance and to consummate the transactions contemplated hereby; (b) makes no representation or warranty and assumes no responsibility with respect to (i) any statements, representations or warranties made in or in connection with the Loan Documents, or (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any other instrument or document furnished pursuant thereto; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or any Guarantor or the performance or observance by Borrower or any Guarantor of any of their respective obligations under the Loan Documents or any other instrument or document furnished pursuant thereto, and (d) represents and warrants that the amount set forth as the Purchase Price on Annex I represents the amount owed by Borrower to Assignor with respect to Assignor's share of the Term Loan A, Term Loan B and the Revolving Loans assigned hereunder, as reflected on Assignor's books and records.

3. The Assignee (a) confirms that it has received copies of the Credit Agreement and the other Loan Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (b) agrees that it will, independently and without reliance upon Agent, Assignor, or any other Lender, based upon such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking any action under the Loan Documents; (c) confirms that it is an Eligible Transferee; (d) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Loan Documents as are delegated to Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (e) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender; and (f) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty.

4. Following the execution of this Assignment and Acceptance by the Assignor and Assignee, the Assignor will deliver this Assignment and Acceptance to the Agent for recording by the Agent. The effective date of this Assignment and Acceptance (the "Settlement Date") shall be the latest to occur of (a) the date of the execution and delivery hereof by the Assignor and the Assignee, (b) the receipt by Agent for its sole and separate account a processing fee in the amount of $3,500 (if required by the Credit Agreement), (c) the receipt by Agent of a completed Administrative Questionnaire (if required by the Credit Agreement), (d) the receipt of any required consent of Agent, Swing Lender, Issuing Bank and Borrower, and (e) the date specified in Annex I.

5. As of the Settlement Date (a) the Assignee shall be a party to the Credit Agreement and, to the extent of the interest assigned pursuant to this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the other Loan Documents, and (b) the Assignor shall, to the extent of the interest assigned pursuant to this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement and the other Loan Documents, provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a) of the Credit Agreement.

6. Upon the Settlement Date, Assignee shall pay to Assignor the Purchase Price (as set forth in Annex I). From and after the Settlement Date, Agent shall make all payments that are due and payable to the holder of the interest assigned hereunder (including payments of principal, interest, fees and other amounts) to Assignor for amounts which have accrued up to but excluding the Settlement Date and to Assignee for amounts which have accrued from and after the Settlement Date. On the Settlement Date, Assignor shall pay to Assignee an amount equal to the portion of any interest, fee, or any other charge that was paid to Assignor prior to the Settlement Date on account of the interest assigned hereunder and that are due and payable to Assignee with respect thereto, to the extent that such interest, fee or other charge relates to the period of time from and after the Settlement Date.

7. This Assignment and Acceptance may be executed in counterparts and by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. This Assignment and Acceptance may be executed and delivered by email or other facsimile transmission all with the same force and effect as if the same were a fully executed and delivered original manual counterpart.

8. THIS ASSIGNMENT AND ACCEPTANCE SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL WAIVER, AND JUDICIAL REFERENCE SET FORTH IN SECTION 12 OF THE CREDIT AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance and Annex I hereto to be executed by their respective officers, as of the first date written above.

[NAME OF ASSIGNOR]

as Assignor

By: _____
Name: _____
Title: _____

[NAME OF ASSIGNEE]

as Assignee

By: _____
Name: _____
Title: _____

ACCEPTED THIS DAY OF
, 20

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Agent, Swing Lender and Issuing Bank

By: _____
Name: _____
Title: _____

[ACCEPTED THIS DAY OF
, 20][1]

INFUSYSTEM, INC.,
a California corporation

By: _____
Name: _____
Title: _____

FIRST BIOMEDICAL, INC.,
a Kansas corporation

By: _____
Name: _____
Title: _____

[1] The signatures of the Borrowers are to be included to the extent required by the Credit Agreement.

ANNEX FOR ASSIGNMENT AND ACCEPTANCE

ANNEX I

1. Borrowers: **INFUSYSTEM, INC.**, a California corporation, and **FIRST BIOMEDICAL, INC.**, a Kansas corporation

2. Name and Date of Credit Agreement:

   Credit Agreement dated as of November 30, 2012 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among the lenders identified on the signature pages thereof (each of such lenders, together with its successors and permitted assigns, a "Lender"), **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent"), **WELLS FARGO BANK**, **NATIONAL ASSOCIATION,** a national banking association, as lead arranger (in such capacity, together with its successors and assigns in such capacity, the "Lead Arranger"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as book runner (in such capacity, together with its successors and assigns in such capacity, the "Book Runner"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as syndication agent (in such capacity, together with its successors and assigns in such capacity, the "Syndication Agent"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as documentation agent (in such capacity, together with its successors and assigns in such capacity, the "Documentation Agent"), **INFUSYSTEM HOLDINGS, INC.,** a Delaware corporation ("Parent"), **INFUSYSTEM HOLDINGS USA, INC.**, a Delaware corporation ("Holdings"), **INFUSYSTEM, INC.**, a California corporation ("Infusystem"), **FIRST BIOMEDICAL, INC.**, a Kansas corporation ("FBI"; FBI and Infusystem each individually a "Borrower", and individually and collectively, jointly and severally, the "Borrowers").

3. Date of Assignment and Acceptance: _____

4. Amounts:

   a. Assigned Amount of Revolver Commitment $ _____

   b. Assigned Amount of Revolving Loans $ _____

   c. Assigned Amount of Term Loan A $ _____

   d. Assigned Amount of Term Loan B $ _____

5. Settlement Date:

6. Purchase Price $ _____

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7. Notice and Payment Instructions, etc.

Assignee:	Assignor:

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EXHIBIT B-1

FORM OF BORROWING BASE CERTIFICATE

[see attached]

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Summary Page Borrowing Base Certificate

Date _____
Name Infusystem Holdings, Inc.

A/R As of: _____

Inventory As of: _____

Each of the undersigned, INFUSYSTEM HOLDINGS, INC., a Delaware corporation ("Parent"), INFUSYSTEM HOLDINGS USA, INC., a Delaware corporation ("Holdings"),IFC LLC ("IFC"), INFUSYSTEM, INC., a California corporation ("Infusystem"), and FIRST BIOMEDICAL, INC., a Kansas Corporation ("FBI", and together with INFUSYSTEM, "Borrowers"), pursuant to that certain Credit Agreement dated as of November 30, 2012 (as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time, the "Credit Agreement"), entered into among the Borrowers, the lenders signatory thereto from time to time and Wells Fargo Bank, National Association, a national banking association as the administrative agent (in such capacity, together with its successors and assigns in such capacity, "Agent"), hereby certifies to Agent that the following items, calculated in accordance with the terms and definitions set forth in the Credit Agreement for such items are true and correct, and that Borrowers are in compliance with and, after giving effect to any currently requested Revolving Loans, will be in compliance with, the terms, conditions, and provisions of the Credit Agreement.

Accounts Receivable	
Accounts Receivable Balance per Aging Report Assigned To Wells Fargo Capital Finance	_____
Less Ineligibles (detailed on page 3)	
Net Eligible Accounts Receivable	—
Accounts Receivable Availability after ENV application and the Credit and Unapplied Collection amount	_____
Advance Rate	85.0%
Net Available Accounts Receivable	—

Inventory	
Inventory Balance Assigned To Wells Fargo	_____
Less Ineligibles (detailed on page 4)	
Eligible Inventory	—
Available Inventory Before Sublimit	
Inventory Sublimit	—
Net Available Inventory	—

Total Availability	
Total Availability before Reserves	—

Reserves under 2.1(c)	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total Reserves	—
Total Availability after Reserves before Loan Balance and LCs	—
Total Credit Line 10,000,000 ***Suppressed Availability***	—
Availability before Loan Balance	—
Letter of Credit Balance As of: _____	—
Loan Ledger Balance As of: _____	_____
Cash in-transit	
Adjusted Loan Balance	—
Net Availability	—

Additionally, the undersigned hereby certifies and represents and warrants to the Lender Group on behalf of Borrowers that (i) as of the date hereof, each representation or warranty contained in or pursuant to any Loan Document, any agreement, instrument, certificate, document or other writing furnished at any time under or in connection with any Loan Document, and as of the effective date of any advance, continuation or conversion requested above is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date hereof, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date), (ii) each of the covenants and agreements contained in any Loan Document have been performed (to the extent required to be performed on or before the date hereof or each such effective date), (iii) no Default or Event of Default has occurred and is continuing on the date hereof, and (iv) all of the foregoing is true and correct as of the effective date of the calculations set forth above and that such calculations have been made in accordance with the requirements of the Credit Agreement.

INFUSYSTEM HOLDINGS, INC.
INFUSYSTEM HOLDINGS USA, INC.
INFUSYSTEM, INC.
FIRST BIOMEDICAL, INC.
IFC, LLC

By: _____
Authorized Signer
Jonathan P. Foster
Chief Financial Officer

List of attachments with this Borrowing Base Certificate:

Page 2 - Term Loan Limiter Calculation
Page 3 - Accounts Receivable Availability Detail
Page 4 - Inventory Availability Detail
Page 5 - Borrowing Base Detail
Page 6 - Infusystem Fixed Asset Rollforward
Page 7 - FBI, Inc. Fixed Asset Rollforward
Page 8 - Capital Lease Reserve Calculation

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WELLS FARGO

Summary Page Term A Limiter

Date _____

Name Infusystem Holdings, Inc.

Fixed Assets As of: _____

Each of the undersigned, INFUSYSTEM HOLDINGS, INC., a Delaware corporation ("Parent"), INFUSYSTEM HOLDINGS USA, INC., a Delaware corporation ("Holdings"), INFUSYSTEM, INC., a California corporation, and FIRST BIOMEDICAL, INC., a Kansas Corporation (collectively with INFUSYSTEM, INC. the "Borrowers"), pursuant to that certain Credit Agreement dated as of November 30, 2012 (as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time, the "Credit Agreement"), entered into among the Borrowers, the lenders signatory thereto from time to time and Wells Fargo Bank, National Association, a national banking association as the administrative agent (in such capacity, together with its successors and assigns in such capacity, "Agent"), hereby certifies to Agent that the following items, calculated in accordance with the terms and definitions set forth in the Credit Agreement for such items are true and correct, and that Borrowers are in compliance with and, after giving effect to any currently requested Revolving Loans, will be in compliance with, the terms, conditions, and provisions of the Credit Agreement.

TERM A LIMITER (as defined by Schedule 1.1 of the Agreement)		
		70.0%
Net Recovery Percentage (based on "With Consignment & Rental Revenue" appraisal NOLV dated as of 7/31/2012)	x	74.9%
InfuSystem Fixed Assets at Cost (based on book value of Rental Fleet less Fixed Asset Clearing)	x	—
Less Capital Lease Obligations		
Less Star Infusion Reserve		
Term A Limiter		—
Term A Loan Balance		**12,000,000**
Is Term A Loan Balance Less Than Term A Limiter (as required by 2.4(e)(vii))		

Additionally, the undersigned hereby certifies and represents and warrants to the Lender Group on behalf of Borrowers that (i) as of the date hereof, each representation or warranty contained in or pursuant to any Loan Document, any agreement, instrument, certificate, document or other writing furnished at any time under or in connection with any Loan Document, and as of the effective date of any advance, continuation or conversion requested above is true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the date hereof, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date), (ii) each of the covenants and agreements contained in any Loan Document have been performed (to the extent required to be performed on or before the date hereof or each such effective date), (iii) no Default or Event of Default has occurred and is continuing on the date hereof, and (iv) all of the foregoing is true and correct as of the effective date of the calculations set forth above and that such calculations have been made in accordance with the requirements of the Credit Agreement.

INFUSYSTEM HOLDINGS, INC.
INFUSYSTEM HOLDINGS USA, INC.
INFUSYSTEM, INC.
FIRST BIOMEDICAL, INC.
IFC, LLC

By: _____
Authorized Signer
Jonathan P. Foster
Chief Financial Officer

List of attachments with this Borrowing Base Certificate:

Page 2 - Term Loan Limiter Calculation
Page 3 - Accounts Receivable Availability Detail
Page 4 - Inventory Availability Detail
Page 5 - Borrowing Base Detail
Page 6 - Infusystem Fixed Asset Rollforward
Page 7 - FBI, Inc. Fixed Asset Rollforward
Page 8 - Capital Lease Reserve Calculation

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EXHIBIT C-1

FORM OF COMPLIANCE CERTIFICATE

[on Parent's letterhead]

To: Wells Fargo Bank, National Association
2450 Colorado Avenue, Suite 3000 West
Santa Monica, California 90404
Attn: Specialty Finance Manager

Re: Compliance Certificate dated , 20

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement dated as of November 30, 2012 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among the lenders identified on the signature pages thereof (each of such lenders, together with its successors and permitted assigns, a "Lender"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as lead arranger (in such capacity, together with its successors and assigns in such capacity, the "Lead Arranger"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as book runner (in such capacity, together with its successors and assigns in such capacity, the "Book Runner"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as syndication agent (in such capacity, together with its successors and assigns in such capacity, the "Syndication Agent"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as documentation agent (in such capacity, together with its successors and assigns in such capacity, the "Documentation Agent"), **INFUSYSTEM HOLDINGS, INC.,** a Delaware corporation ("Parent"), **INFUSYSTEM HOLDINGS USA, INC.**, a Delaware corporation ("Holdings"), **INFUSYSTEM, INC.**, a California corporation ("Infusystem"), **FIRST BIOMEDICAL, INC.**, a Kansas corporation ("FBI"; FBI and Infusystem each individually a "Borrower", and individually and collectively, jointly and severally, the "Borrowers"). All initially capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (including Schedule 1.1 thereto).

Pursuant to Section 5.1 of the Credit Agreement, the undersigned officer of Parent hereby certifies as of the date hereof that:

1. The financial information of Parent and its Subsidiaries furnished in Schedule 1 attached hereto, has been prepared in accordance with GAAP (except, in the case of unaudited financial statements, for year-end audit adjustments and the lack of footnotes), and fairly presents in all material respects the financial condition of Parent and its Subsidiaries as of the date set forth therein.

2. Such officer has reviewed the terms of the Credit Agreement and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and financial condition of Parent and its Subsidiaries during the accounting period covered by the financial statements delivered pursuant to Section 5.1 of the Credit Agreement.

3. Such review has not disclosed the existence on and as of the date hereof, and the undersigned does not have knowledge of the existence as of the date hereof, of any event or condition that constitutes a Default or Event of Default, except for such conditions or events listed on Schedule 2 attached hereto, in each case specifying the nature and period of existence thereof and what action Parent and/or its Subsidiaries have taken, are taking, or propose to take with respect thereto.

4. Except as set forth on Schedule 3 attached hereto, the representations and warranties of Parent and its Subsidiaries set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date.

5. As of the date hereof, Parent and its Subsidiaries are in compliance with the applicable covenants contained in Section 7 of the Credit Agreement as demonstrated on Schedule 4 hereof.

6. As of the date hereof, Parent and its Subsidiaries have made Capital Expenditures during the current Fiscal Year of $.

[Signature page follows.]

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned this day of , 20 .

INFUSYSTEM HOLDINGS, INC.,
a Delaware corporation, as Parent

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO COMPLIANCE CERTIFICATE]

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SCHEDULE 1

Financial Information

Table of Contents

SCHEDULE 2

Default or Event of Default

Table of Contents

SCHEDULE 3

Representations and Warranties

Table of Contents

SCHEDULE 4

Financial Covenants

1. **Fixed Charge Coverage Ratio.**

Parent's and its Subsidiaries' Fixed Charge Coverage Ratio, measured on a quarter-end basis, for the 4 quarter period ending , 20 , is :1.0, which ratio **[is/is not]** greater than or equal to the ratio set forth in Section 7(a) of the Credit Agreement for the corresponding period.

2. **Leverage Ratio**.

Parent's and its Subsidiaries' Leverage Ratio, measured on a quarter-end basis, as of the last day of the month ending , 20 , is :1.0, which **[is/is not]** less than or equal to the ratio set forth in Section 7(b) of the Credit Agreement for the corresponding date.

3. **Capital Expenditures.**

Parent's and its Subsidiaries' Capital Expenditures for the Fiscal Year ending 20 , is $, which amount **[is/is not]** greater than or equal to the amount set forth in Section 7(c) of the Credit Agreement for the corresponding period.

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EXHIBIT L-1

FORM OF LIBOR NOTICE

Wells Fargo Bank, N.A., as Agent
under the below referenced Credit Agreement
2450 Colorado Avenue
Suite 3000 West
Santa Monica, California 90404
Attn: Specialty Finance Manager

Ladies and Gentlemen:

Reference hereby is made to that certain Credit Agreement dated as of November 30, 2012 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement") by and among the lenders identified on the signature pages thereof (each of such lenders, together with its successors and permitted assigns, a "Lender"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as administrative agent for each member of the Lender Group and the Bank Product Providers (in such capacity, together with its successors and assigns in such capacity, "Agent"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as lead arranger (in such capacity, together with its successors and assigns in such capacity, the "Lead Arranger"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as book runner (in such capacity, together with its successors and assigns in such capacity, the "Book Runner"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as syndication agent (in such capacity, together with its successors and assigns in such capacity, the "Syndication Agent"), **WELLS FARGO BANK, NATIONAL ASSOCIATION,** a national banking association, as documentation agent (in such capacity, together with its successors and assigns in such capacity, the "Documentation Agent"), **INFUSYSTEM HOLDINGS, INC.**, a Delaware corporation ("Parent"), **INFUSYSTEM HOLDINGS USA, INC.**, a Delaware corporation ("Holdings"), **INFUSYSTEM, INC.**, a California corporation ("Infusystem"), **FIRST BIOMEDICAL, INC.**, a Kansas corporation ("FBI"; FBI and Infusystem each individually a "Borrower", and individually and collectively, jointly and severally, the "Borrowers")). All initially capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement (including Schedule 1.1 thereto).

This LIBOR Notice represents Borrowers' request to elect the LIBOR Option with respect to the outstanding [Revolving Loans][Term Loan A][Term Loan B] in the amount of $ (the "LIBOR Rate Advance")[, and is a written confirmation of the telephonic notice of such election given to Agent].

The LIBOR Rate Advance will have an Interest Period of [1][2][3] month(s) commencing on .

This LIBOR Notice further confirms Borrowers' acceptance, for purposes of determining the rate of interest based on the LIBOR Rate under the Credit Agreement, of the LIBOR Rate as determined pursuant to the Credit Agreement.

Borrowers represent and warrant that (i) as of the date hereof, the representations and warranties of Parent or its Subsidiaries contained in this Agreement and in the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date)), (ii) each of the covenants and agreements contained in any Loan Document have been performed (to the extent required to be performed on or before the date hereof or each such effective date), and (iii) no Default or Event of Default has occurred and is continuing on the date hereof, nor will any thereof occur after giving effect to the request above.

[Signature pages follow.]

[SIGNATURE PAGE TO LIBOR NOTICE]

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Dated: , 20

INFUSYSTEM, INC.,
a California corporation, as Administrative Borrower

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO LIBOR NOTICE]

Wells Fargo Bank, N.A., as Agent
Page 4

Acknowledged by:

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as Agent

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO LIBOR NOTICE]

Schedule A-1

Agent's Account

An account at a bank designated by Agent from time to time as the account into which Borrower shall make all payments to Agent for the benefit of the Lender Group and into which the Lender Group shall make all payments to Agent under this Agreement and the other Loan Documents; unless and until Agent notifies Borrower and the Lender Group to the contrary, Agent's Account shall be that certain deposit account bearing account number [**], reference Infusystem, Inc., and maintained by Agent with Wells Fargo Bank, N.A., 420 Montgomery Street, San Francisco, CA, ABA #[**].

** Confidential treatment has been requested for portions of this exhibit. The copy filed herewith omits information subject to the confidentiality request. Omissions are designated with brackets containing two asterisks "[**]". As part of our confidential treatment request, a complete version of this exhibit has been filed separately with the Securities and Exchange Commission.

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Schedule A-2

Authorized Persons

Dilip Singh – Chief Executive Officer

Jonathan P. Foster – Chief Financial Officer

Christopher Downs – Director of Finance

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Schedule C-1

Commitments

Lender	Revolver Commitment	Term Loan A Commitment	Term Loan B Commitment	Total Commitment
Wells Fargo Bank, National Association	$10,000,000	$12,000,000	$ 0	$ 22,000,000
PennantPark Investment Corporation	$ 0	$ 0	$11,600,000	$ 11,600,000
PennantPark Credit Opportunities Fund, LP	$ 0	$ 0	$ 725,000	$ 725,000
Pennant Park Floating Rate Capital Ltd.	$ 0	$ 0	$ 2,175,000	$ 2,175,000
All Lenders	$10,000,000	$12,000,000	$14,500,000	$ 36,500,000

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Schedule D-1

Designated Account

Administrative Borrower	Designated Account Bank	Account Number	Routing Number
InfuSystem, Inc.	Bank of America	[**]	[**]

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Schedule E-1

Location of Eligible Inventory

Tenant	Address	City	State	Zip
InfuSystem, Inc.	31700 Research Park Drive	Madison Heights	Michigan	48071
First Biomedical, Inc.	882 Jan Mar Ct.	Olathe	Kansas	66061
First Biomedical, Inc.	878 Jan Mar Ct.	Olathe	Kansas	66061
First Biomedical, Inc.	[**]	Olathe	Kansas	66062
First Biomedical, Inc.	12015 Mora Drive, Unit 6	Santa Fe Springs	California	90670

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Schedule P-1

Permitted Investments

Holder	Type of Investment	Issuer	Value	Purpose
InfuSystem, Inc.	Certificate of Deposit	Bank of America	$80,850.00	Cash collateralize Letter of Credit

Equity Investments by Parent

Issuer	Class	Par Value	% Held by Parent
COMMON SHARES:			
InfuSystem Holdings USA, Inc.	N/A	$.0001	100.0%
InfuSystem, Inc.	N/A	$ 0.01	100.0%
First Biomedical, Inc.	Series A	$ 0.02	100.0%
First Biomedical, Inc.	Series B	$ 0.02	100.0%
PREFERRED SHARES:			
InfuSystem Holdings USA, Inc.	Preferred		N/A
InfuSystem, Inc.	Preferred		N/A
First Biomedical, Inc.	Preferred		N/A
IFC LLC	Preferred		N/A

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Schedule P-2

Permitted Liens

[See attached file]

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Schedule R-1

Real Property Collateral

None

Schedule 1.1

As used in the Agreement, the following terms shall have the following definitions:

"Account" means any (a) account (as that term is defined in the Code) or (b) health-care-insurance receivables (as that term is defined in the Code). Additionally, for purposes of the definition of Eligible Accounts, all of any Borrower's rights to payment under such Borrower's ordinary course short term or at will leasing or rental arrangements with its customers shall also be deemed to constitute "Accounts".

"Account Debtor" means any Person who is obligated on an Account, chattel paper, or a general intangible.

"Accounting Changes" means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions).

"Acquisition" means (a) the purchase or other acquisition by a Person or its Subsidiaries of all or substantially all of the assets of (or any division or business line of) any other Person, or (b) the purchase or other acquisition (whether by means of a merger, consolidation, or otherwise) by a Person or its Subsidiaries of all or substantially all of the Equity Interests of any other Person.

"Additional Documents" has the meaning specified therefor in Section 5.12 of the Agreement.

"Administrative Borrower" has the meaning specified therefor in Section 17.13 of the Agreement.

"Administrative Questionnaire" has the meaning specified therefor in Section 13.1(a) of the Agreement.

"Affected Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests, by contract, or otherwise; provided, that, for purposes of the definition of Eligible Accounts and Section 6.10 of the Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each director (or comparable manager) of a Person shall be deemed to be an Affiliate of such Person, and (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person.

"Agent" has the meaning specified therefor in the preamble to the Agreement.

"Agent-Related Persons" means Agent, together with its Affiliates, officers, directors, employees, attorneys, and agents.

"Agent's Account" means the Deposit Account of Agent identified on Schedule A-1 to this Agreement (or such other Deposit Account of Agent that has been designated as such, in writing, by Agent to Borrowers and the Lenders).

"Agent's Liens" means the Liens granted by Parent or its Subsidiaries to Agent under the Loan Documents and securing the Obligations.

"Agreement" means the Credit Agreement to which this Schedule 1.1 is attached.

"Applicable Margin" means (a) in the case of a Base Rate Loan that is a Revolving Loan, 6.25 percentage points (the "Revolver Base Rate Margin"), (b) in the case of a LIBOR Rate Loan that is a Revolving Loan, 7.25 percentage points (the "Revolver LIBOR Rate Margin"), (c) in the case of a Base Rate Loan that is a Term Loan A or a Term Loan B, 6.25 percentage points (the "Term Base Rate Margin"), and (d) in the case of a LIBOR Rate Loan that is a Term Loan A or a Term Loan B, 7.25 percentage points (the "Term LIBOR Rate Margin").

"Application Event" means the occurrence of (a) a failure by Borrowers to repay all of the Obligations in full on the Maturity Date, (b) the acceleration of all or any portion of the Obligations, or (c) an Event of Default and the election by Agent or the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 2.4(b)(ii) of the Agreement.

"Assignee" has the meaning specified therefor in Section 13.1(a) of the Agreement.

"Assignment and Acceptance" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A-1 to the Agreement.

"Authorized Person" means any one of the individuals identified on Schedule A-2 to the Agreement, as such schedule is updated from time to time by written notice from Borrowers to Agent.

"Available Amount" shall mean, at any time (the "Reference Date"), an amount equal to the result of:

(a) the result of (i) 50% multiplied by (ii) the cumulative amount of Excess Cash Flow (which amount shall not be less than zero in any fiscal year) of Parent and its Subsidiaries for the Available Amount Reference Period (it being understood for the avoidance of doubt that, solely for purposes of this definition, Excess Cash Flow for any fiscal year shall be deemed to be zero until the financial statements required to be delivered pursuant to Section 5.1 for such fiscal year, and the related compliance certificate required to be delivered pursuant to Section 5.1 for such fiscal year, have been received by Agent), *minus*

(b) an amount equal to the sum of Restricted Payments made pursuant to Section 6.7(d) of the Agreement.

"Available Amount Reference Period" means, with respect to any Reference Date, the period commencing on January 1, 2013 and ending on the last day of the most recent fiscal year ended thereafter for which financial statements required to be delivered pursuant to Section 5.1, and the related compliance certificate required to be delivered pursuant to Section 5.1, have been received by Agent.

"Availability" means, as of any date of determination, the amount that Borrowers are entitled to borrow as Revolving Loans under Section 2.1 of the Agreement (after giving effect to the then outstanding Revolver Usage).

"Bank Product" means any one or more of the following financial products or accommodations extended to Parent or its Subsidiaries by a Bank Product Provider: (a) credit cards (including commercial cards (including so-called "purchase cards", "procurement cards" or "p-cards")), (b) credit card processing services, (c) debit cards, (d) stored value cards, (e) Cash Management Services, or (f) transactions under Hedge Agreements.

"Bank Product Agreements" means those agreements entered into from time to time by Parent or its Subsidiaries with a Bank Product Provider in connection with the obtaining of any of the Bank Products.

"Bank Product Collateralization" means providing cash collateral (pursuant to documentation reasonably satisfactory to Agent) to be held by Agent for the benefit of the Bank Product Providers (other than the Hedge Providers) in an amount determined by Agent as sufficient to satisfy the reasonably estimated credit exposure with respect to the then existing Bank Product Obligations (other than Hedge Obligations).

"Bank Product Obligations" means (a) all obligations, liabilities, reimbursement obligations, fees, or expenses owing by Parent and its Subsidiaries to any Bank Product Provider pursuant to or evidenced by a Bank Product Agreement and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, (b) all Hedge Obligations, and (c) all amounts that Agent or any Lender is obligated to pay to a Bank Product Provider as a result of Agent or such Lender purchasing participations from, or executing guarantees or indemnities or reimbursement obligations to, a Bank Product Provider with respect to the Bank Products provided by such Bank Product Provider to Parent or one of its Subsidiaries.

"Bank Product Provider" means Wells Fargo or any of its Affiliates, including each of the foregoing in its capacity, if applicable, as a Hedge Provider.

"Bank Product Reserves" means, as of any date of determination, those reserves that Agent deems necessary or appropriate to establish (based upon the Bank Product Providers' determination of the liabilities and obligations of Parent and its Subsidiaries in respect of Bank Product Obligations) in respect of Bank Products then provided or outstanding.

"Bankruptcy Code" means title 11 of the United States Code, as in effect from time to time.

"Base Rate" means the greatest of (a) 3.00 percent per annum, (b) the Federal Funds Rate plus ½%, (c) the LIBOR Rate (which rate shall be calculated based upon an Interest Period of 1 month and shall be determined on a daily basis), plus 1 percentage point, and (d) the rate of interest announced, from time to time, within Wells Fargo at its principal office in San Francisco as its "prime rate", with the understanding that the "prime rate" is one of Wells Fargo's base rates (not necessarily the lowest of such rates) and serves as the basis upon which effective rates of interest are calculated for those loans making reference thereto and is evidenced by the recording thereof after its announcement in such internal publications as Wells Fargo may designate.

"Base Rate Loan" means each portion of the Revolving Loans, the Term Loan A, or the Term Loan B that bears interest at a rate determined by reference to the Base Rate.

"Benefit Plan" means a "defined benefit plan" (as defined in Section 3(35) of ERISA) for which Parent or any of its Subsidiaries or ERISA Affiliates has been an "employer" (as defined in Section 3(5) of ERISA) within the past six years.

"Board of Directors" means, as to any Person, the board of directors (or comparable managers) of such Person, or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"Board of Governors" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Book Runner" has the meaning set forth in the preamble to the Agreement.

"Borrower" and "Borrowers" have the respective meanings specified therefor in the preamble to the Agreement.

"Borrower Materials" has the meaning specified therefor in Section 17.9(c) of the Agreement.

"Borrowing" means a borrowing consisting of Revolving Loans made on the same day by the Lenders (or Agent on behalf thereof), or by Swing Lender in the case of a Swing Loan, or by Agent in the case of an Extraordinary Advance.

"Borrowing Base" means, as of any date of determination, the result of:

(a) the product of 85% multiplied by the amount of Eligible Accounts multiplied by the Expected Net Value (the "A/R Amount"), *plus*

(b) *the least* of (i) the product of 70% multiplied by the value (calculated at the lower of cost or market on a basis consistent with Borrowers' historical accounting practices) of Eligible Inventory at such time, (ii) the product of 85% multiplied by the Net Recovery Percentage for Inventory (other than Fixed Assets) held for sale that is identified in the most recent inventory appraisal ordered and obtained by Agent multiplied by the value (calculated at the lower of cost or market on a basis consistent with Borrowers' historical accounting practices) of Eligible Inventory (such determination may be made as to different categories of Eligible Inventory based upon the Net Recovery Percentage applicable to such categories) at such time, and (iii) the result of (A) the result of the A/R Amount *divided by* 0.75 *minus* (B) the A/R Amount, *minus*

(c) the aggregate amount of reserves, if any, established by Agent under Section 2.1(c) of the Agreement.

"Borrowing Base Certificate" means a certificate in the form of Exhibit B-1.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of New York, except that, if a determination of a Business Day shall relate to a LIBOR Rate Loan, the term "Business Day" also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

"Capital Expenditures" means, with respect to any Person for any period, the amount of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed, but excluding, without duplication (a) expenditures made during such period in connection with the replacement, substitution, or restoration of assets or properties pursuant to Section 2.4(e)(ii) of the Agreement or clause (b) of the definition of Permitted Dispositions, (b) with respect to the purchase price of assets that are purchased substantially contemporaneously with the trade-in of existing assets during such period, the amount that the gross amount of such purchase price is reduced by the credit granted by the seller of such assets for the assets being traded in at such time, (c) with respect to Capital Lease Obligations associated with assets that are leased substantially contemporaneously with trade-in of existing leased assets in connection with the prepayment of Closing Date Capital Lease Obligations as contemplated by Schedule 3.6, a portion of such new Capital Lease Obligations up to the amount of such Closing Date Capital Lease Obligations so prepaid, and (d) expenditures during such period that, pursuant to a written agreement, are reimbursed by a third Person (excluding Parent or any of its Affiliates).

"Capitalized Lease Obligation" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $1,000,000,000, (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than $1,000,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements.

"CFC" means a controlled foreign corporation (as that term is defined in Section 957(a) of the IRC (or any successor provision)).

"CHAMPVA" means, collectively, the Civilian Health and Medical Program of the Department of Veterans Affairs, and all laws, rules, regulations, manuals, orders, guidelines or requirements (whether or not having the force of law) pertaining to such program, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"Change of Control" means that:

(a) any Person or two or more Persons acting in concert, shall have acquired beneficial ownership, directly or indirectly, of Equity Interests of Parent (or other securities convertible into such Equity Interests) representing 35% or more of the combined voting power or economic interests of all Equity Interests of Parent entitled (without regard to the occurrence of any contingency) to vote for the election of members of the Board of Directors of Parent;

(b) any Person or two or more Persons acting in concert, shall have acquired by contract or otherwise, or shall have entered into a contract or arrangement that, upon consummation thereof, will result in its or their acquisition of the power to exercise, directly or indirectly, a controlling influence over the management or policies of Parent or control over the Equity Interests of such Person entitled to vote for the election of members of the Board of Directors of Parent on a fully-diluted basis (and taking into account all such Equity Interests that such Person or group has the right to acquire pursuant to any option right) representing 35% or more of the combined voting power of such Equity Interests; or

(c) during any period of 24 consecutive months commencing on or after the Closing Date, the occurrence of a change in the composition of the Board of Directors of Parent such that a majority of the members of such Board of Directors are not Continuing Directors;

(d) Parent fails to own and control, directly or indirectly, 100% of the Equity Interests of Holdings and each other Loan Party; or

(e) Holdings fails to own and control, directly or indirectly, 100% of the Equity Interests of each other Loan Party.

"Change in Law" means the occurrence after the date of the Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, or (c) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything in the Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Charter Amendment Date" means the date following the Closing Date on which Agent shall have received (a) an amendment to Parent's Certificate of Incorporation, duly recorded with the Secretary of State of Delaware, which amendment deletes in its entirety Article "EIGHTH" of Parent's Certificate of Incorporation, and is otherwise in form and substance satisfactory to Agent, and (b)

evidence reasonably satisfactory to the Required Lenders that such amendment was approved by the shareholders of Parent and is in full force and effect, including a certificate of the Secretary of Parent attesting thereto.

"Closing Date" means the date of the making of the initial Revolving Loan (or other extension of credit) under the Agreement.

"Closing Date Capital Lease Obligations" means the Capital Lease Obligations described on Schedule 4.14.

"CMS" means The Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, and any Governmental Authority successor thereto.

"Code" means the New York Uniform Commercial Code, as in effect from time to time.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by Parent or its Subsidiaries in or upon which a Lien is granted by such Person in favor of Agent or the Lenders under any of the Loan Documents.

"Collateral Access Agreement" means a landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in Parent's or its Subsidiaries' books and records, Equipment, or Inventory, in each case, in form and substance reasonably satisfactory to Agent.

"Collections" means all collections, wire transfers, electronic funds transfers, cash, checks, notes, instruments, and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds, and tax refunds) and all proceeds of Accounts.

"Commitment" means, with respect to each Lender, its Revolver Commitment, its Term Loan A Commitment, or its Term Loan B Commitment, as the context requires, and, with respect to all Lenders, their Revolver Commitments, their Term Loan A Commitments, or their Term Loan B Commitments, as the context requires, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of the Agreement.

"Commodities Account" means any commodities account (as that term is defined in the Code).

"Compliance Certificate" means a certificate substantially in the form of Exhibit C-1 to the Agreement delivered by the chief financial officer of Parent to Agent.

"Confidential Information" has the meaning specified therefor in Section 17.9(a) of the Agreement.

"Continuing Director" means (a) any member of the Board of Directors who was a director (or comparable manager) of Parent on the Closing Date, and (b) any individual who becomes a member of the Board of Directors after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by a majority of the Continuing Directors, but excluding any such individual originally proposed for election in opposition to the Board of Directors in office at the

Closing Date in an actual or threatened election contest relating to the election of the directors (or comparable managers) of Parent and whose initial assumption of office resulted from such contest or the settlement thereof.

"Control Agreement" means a control agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by Parent or one of its Subsidiaries, Agent, and the applicable securities intermediary (with respect to a Securities Account), commodities intermediary (with respect to a Commodities Account), or bank (with respect to a Deposit Account other than a Government Receivables Lockbox Account).

"Copyright Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Declination Notice" has the meaning specified therefor in Section 2.4(f)(iii).

"Declining Lender" has the meaning specified therefor in Section 2.4(f)(iii).

"Default" means an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement within 1 Business Day of the date that it is required to do so under the Agreement (including the failure to make available to Agent amounts required pursuant to a Settlement or to make a required payment in connection with a Letter of Credit Disbursement), (b) notified Borrowers, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by Agent) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement within 1 Business Day of the date that it is required to do so under the Agreement, unless the subject of a good faith dispute, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"Defaulting Lender Rate" means (a) for the first 3 days from and after the date the relevant payment is due, the Base Rate, and (b) thereafter, the interest rate then applicable to Revolving Loans that are Base Rate Loans (inclusive of the Revolver Base Rate Margin applicable thereto).

"Deposit Account" means any deposit account (as that term is defined in the Code).

"Designated Account" means the Deposit Account of Administrative Borrower identified on Schedule D-1 to the Agreement (or such other Deposit Account of Administrative Borrower located at Designated Account Bank that has been designated as such, in writing, by Borrowers to Agent).

"Designated Account Bank" has the meaning specified therefor in Schedule D-1 to the Agreement (or such other bank that is located within the United States that has been designated as such, in writing, by Borrowers to Agent).

"Disqualified Equity Interests" shall mean any Equity Interest that, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) provides for the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 180 days after the Maturity Date.

"Documentation Agent" has the meaning set forth in the preamble to the Agreement.

"Dollars" or "$" means United States dollars.

"Drawing Document" means any Letter of Credit or other document presented for purposes of drawing under any Letter of Credit.

"Earn-Outs" shall mean unsecured liabilities of a Loan Party arising under an agreement to make any deferred payment as a part of the Purchase Price for a Permitted Acquisition, including performance bonuses or consulting payments in any related services, employment or similar agreement, in an amount that is subject to or contingent upon the revenues, income, cash flow or profits (or the like) of the target of such Permitted Acquisition.

"EBITDA" means, with respect to any fiscal period,

(a) Parent's consolidated net earnings (or loss),

minus

(b) without duplication, the sum of the following amounts of Parent for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) extraordinary gains,

(ii) interest income, excluding interest income from leasing operations,

plus

(c) without duplication, the sum of the following amounts of Parent for such period to the extent included in determining consolidated net earnings (or loss) for such period:

(i) non-cash extraordinary losses,

(ii) Interest Expense,

(iii) income taxes,

(iv) non-cash compensation expense (including deferred non-cash compensation expense), or other non-cash expenses or charges, arising from the sale or issuance of Equity Interests, the granting of stock options, and the granting of stock appreciation rights and similar arrangements (including any repricing, amendment, modification, substitution, or change of any such Equity Interests, stock option, stock appreciation rights, or similar arrangements) minus the amount of any such expenses or charges when paid in cash to the extent not deducted in the computation of net earnings (or loss),

(v) severance expense paid by Parent and its Subsidiaries in an aggregate amount not to exceed $350,000 in any fiscal year,

(vi) for any period ending on or before December 31, 2012, fees and expenses incurred during such period in connection with this Agreement or the other Loan Documents, in an aggregate amount not to exceed $105,000,

(vii) depreciation and amortization for such period, and

(viii) to the extent incurred and paid prior to November 30, 2013, costs and expenses related to Parent's and its Subsidiaries' exploration of strategic alternatives as announced in Parent's Form 10Q for the period ended March 31, 2012 (as filed with the Securities and Exchange Commission), including, without limitation, operating ventures, joint ventures, or a sale or merger, in each case, involving Parent or any of its Subsidiaries; provided, however, that the aggregate amount of costs and expenses permitted to be included pursuant to this clause (viii) during the term of this Agreement shall not exceed $600,000 in the aggregate,

in each case, determined on a consolidated basis in accordance with GAAP.

For the purposes of calculating EBITDA for any period of 4 consecutive fiscal quarters (each, a "Reference Period"), (a) if at any time during such Reference Period (and after the Closing Date), Parent or any of its Subsidiaries shall have made a Permitted Acquisition, EBITDA for such Reference Period shall be calculated after giving *pro forma* effect thereto (including *pro forma* adjustments arising out of events which are directly attributable to such Permitted Acquisition, are factually supportable, and are expected to have a continuing impact, in each case to be mutually and reasonably agreed upon by Parent and Agent) or in such other manner acceptable to Agent as if any such Permitted Acquisition or adjustment occurred on the first day of such Reference Period, and (b) EBITDA for the fiscal quarter ended December 31, 2011, shall be deemed to be $[**], (c) EBITDA for the fiscal quarter ended March 31, 2012, shall be deemed to be $[**], and (d) EBITDA for the fiscal quarter ended June 30, 2012, shall be deemed to be $[**], and (e) EBITDA for the fiscal quarter ended September 30, 2012, shall be deemed to be $[**].

"Eligible Accounts" means those Accounts created by a Borrower in the ordinary course of its business, that arise out of such Borrower's sale or lease of goods or rendition of services or Medical Services in the ordinary course of its business, that comply with each of the representations and warranties respecting Eligible Accounts made in the Loan Documents, that Agent, in its Permitted Discretion, deems to be Eligible Accounts, that are not excluded as ineligible by virtue of one or more of

the excluding criteria set forth below; provided, that such criteria may be revised from time to time by Agent in Agent's Permitted Discretion to address the results of any field examination performed by (or on behalf of) Agent from time to time after the Closing Date. In determining the amount to be included, Eligible Accounts shall be calculated net of customer deposits, unapplied cash, taxes, discounts, credits, allowances, and rebates. Eligible Accounts shall not include the following:

(a) (i) Accounts that the Account Debtor has failed to pay within 120 days of the original invoice date (or within 120 days of the original invoice date with respect to Accounts owing under Medicaid) or (ii) as to Accounts arising out of the provision of Medical Services, goods, or merchandise to a natural person but payable by a Third Party Payor, Accounts that the Account Debtor (which is a Third Party Payor) has failed to pay within 150 days after the date on which such Medical Services, goods or merchandise giving rise to such Account were provided to such natural person,

(b) Accounts owed by an Account Debtor (or its Affiliates) (other than Accounts owed by a Government Account Debtor under Medicare or Medicaid) where 50% or more of all Accounts owed by that Account Debtor (or its Affiliates) are deemed ineligible under clause (a) above,

(c) Accounts with respect to which the Account Debtor is a natural person, an Affiliate of any Borrower or an employee or agent of any Borrower or any Affiliate of any Borrower,

(d) Accounts arising in a transaction wherein goods are placed on consignment or are sold pursuant to a guaranteed sale, a sale or return, a sale on approval, a bill and hold, or any other terms by reason of which the payment by the Account Debtor may be conditional,

(e) Accounts that are not payable in Dollars,

(f) Accounts with respect to which the Account Debtor either (i) does not maintain its chief executive office in the United States, or (ii) is not organized under the laws of the United States or any state thereof, or (iii) is the government of any foreign country or sovereign state, or of any state, province, municipality, or other political subdivision thereof, or of any department, agency, public corporation, or other instrumentality thereof, unless (A) the Account is supported by an irrevocable letter of credit reasonably satisfactory to Agent (as to form, substance, and issuer or domestic confirming bank) that has been delivered to Agent and is directly drawable by Agent, or (B) the Account is covered by credit insurance in form, substance, and amount, and by an insurer, reasonably satisfactory to Agent,

(g) (i) with respect to Accounts arising out of the provision of Medical Services, goods, or merchandise to a natural person, any such Accounts with respect to which the Account Debtor is not a Third Party Payor and (ii) with respect to Accounts other than those arising out of the provision of Medical Services, goods, or merchandise to a natural person where the Account Debtor is a Third Party Payor, any such Account with respect to which the Account Debtor is not reasonably acceptable to Agent in its Permitted Discretion,

(h) Other than Accounts with respect to which the Account Debtor is a Government Account Debtor obligated to make payment on such Accounts under a Government Reimbursement Program, Accounts with respect to which the Account Debtor is either (i) the United States or any department, agency, or instrumentality of the United States (exclusive, however, of Accounts with respect to which Borrowers have complied, to the reasonable satisfaction of Agent, with the Assignment of Claims Act, 31 USC §3727), or (ii) any state of the United States,

(i) Accounts with respect to which the Account Debtor is a creditor of a Borrower, has or has asserted a right of recoupment or setoff, or has disputed its obligation to pay all or any portion of the Account, to the extent of such claim, right of recoupment or setoff, or dispute,

(j) Accounts with respect to an Account Debtor (other than Accounts owed by a Government Account Debtor under Medicare or Medicaid) whose total obligations owing to Borrowers exceed 10% (such percentage, as applied to a particular Account Debtor, being subject to reduction by Agent in its Permitted Discretion if the creditworthiness of such Account Debtor deteriorates) of all Eligible Accounts, to the extent of the obligations owing by such Account Debtor in excess of such percentage; provided, that, in each case, the amount of Eligible Accounts that are excluded because they exceed the foregoing percentage shall be determined by Agent based on all of the otherwise Eligible Accounts prior to giving effect to any eliminations based upon the foregoing concentration limit,

(k) Accounts with respect to which the Account Debtor is subject to an Insolvency Proceeding, is not Solvent, has gone out of business, or as to which any Borrower has received notice of an imminent Insolvency Proceeding or a material impairment of the financial condition of such Account Debtor,

(l) Accounts, the collection of which, Agent, in its Permitted Discretion, believes to be doubtful, including by reason of the Account Debtor's financial condition,

(m) Accounts that are not subject to a valid and perfected first priority Agent's Lien,

(n) Accounts with respect to which (i) the goods giving rise to such Account have not been shipped (or, in the event that the Account Debtor is a Third Party Payor, delivered to and accepted by the intended beneficiary) and billed to the Account Debtor, or (ii) the services/Medical Services giving rise to such Account have not been performed and billed to the Account Debtor,

(o) Accounts with respect to which the Account Debtor is a Sanctioned Person or Sanctioned Entity,

(p) Accounts that represent the right to receive progress payments or other advance billings that are due prior to the completion of performance by the applicable Borrower of the subject contract for goods or services / Medical Services, or

(q) Accounts arising out of a cost report settlement or expected settlement, or

(r) Accounts owned by a target acquired in connection with a Permitted Acquisition, until the completion of an appraisal and field examination with respect to such target, in each case, reasonably satisfactory to Agent (which appraisal and field examination may be conducted prior to the closing of such Permitted Acquisition),

(s) Accounts (i) arising out of any capitation arrangement or (ii) that exceed the amount such Borrower is entitled to receive under any fee schedule, discount formula, cost-based reimbursement or other adjustment or limitation to such Borrower's usual charges (to the extent of such excess), or

(t) Accounts that (i) are payable pursuant to, or invoiced under, the terms of that certain Master Pass Through Agreement, dated September 26, 2012, between [**] and FBI, whether the Account Debtor is [**] or any other Person, or (ii) are subject to billing arrangements or payment instructions whereby the Account Debtor with respect to such Accounts is directed to make payment on such Accounts to any Person (including any Person acting as a servicer for a Borrower) other than a Borrower, or

(u) Accounts that fail to meet such other reasonable specifications and requirements which may from time to time be established by Agent in its Permitted Discretion; provided, however, that Agent shall provide notice to Borrowers of any such additional specifications and requirements under this clause (u) prior to implementation thereof if such specifications and requirements would result in a material amount of Accounts ceasing to be Eligible Accounts, in which case, such change shall not be effective until the date of delivery of the next Borrowing Base Certificate due after such notice is delivered to Borrowers; and provided further, that a non-willful failure of Agent to so notify Borrowers shall not be a breach of the Agreement and shall not cause such exclusion of such Accounts to be ineffective.

"Eligible Fixed Assets" means any Fixed Asset of a Borrower that is held for rent or lease by a Borrower, complies with each of the representations and warranties respecting Eligible Fixed Assets made in the Loan Documents, that Agent, in its Permitted Discretion deems to be Eligible Fixed Assets, and that is not excluded as ineligible by virtue of one or more of the excluding criteria set forth below. In determining the amount to be so included, Fixed Assets shall be valued at the lower of cost or market on a basis consistent with Borrowers' historical accounting practices. Fixed Assets shall not be included in Eligible Fixed Assets if:

(a) it is not an infusion pump,

(b) a Borrower does not have good, valid, and marketable title thereto,

(c) it is not located in the continental United States,

(d) it is not subject to a valid and perfected first priority Agent's Lien,

(e) it is defective, obsolete or unserviceable or does not comply with all original manufacturer quality assurance recommendations, it consists of goods that are restrictive or custom items, work-in-process, raw materials, or goods that constitute spare parts, packaging and shipping materials, supplies used or consumed in Borrowers' business, bill and hold goods, or Inventory acquired on consignment,

(f) it is not in compliance with all Public Health Laws and standards imposed by the FDA or any other Governmental Authority having regulatory authority over such Inventory, its use, distribution, or sale,

(g) it is accounted for as "inventory" in Parent's and its Subsidiaries' perpetual inventory system and/or on the balance sheet of Parent and its Subsidiaries,

(h) it is not accounted for as "fixed assets" on the balance sheet of Parent and its Subsidiaries, or

(i) it is subject to third party trademark, licensing or other proprietary rights, unless Agent is satisfied that such Inventory can be freely sold by Agent on and after the occurrence of an Event of a Default despite such third party rights,

(j) it is the subject of a bill of lading or other document of title,

(k) it is located on real property leased by a Borrower or in a contract warehouse, in each case, unless it is subject to a Collateral Access Agreement executed by the lessor or warehouseman, as the case may be, and unless it is segregated or otherwise separately identifiable from goods of others, if any, stored on the premises,

(l) it is held by such Borrower for sale, or

(m) Fixed Assets that fail to meet such other reasonable specifications and requirements which may from time to time be established by Agent in its Permitted Discretion; provided, however, that Agent shall provide notice to Borrowers of any such additional specifications and requirements under this clause (m) prior to implementation thereof if such specifications and requirements would result in a material amount of Fixed Assets ceasing to be Eligible Fixed Assets, in which case, such change shall not be effective until the date of delivery of the next Borrowing Base Certificate due after such notice is delivered to Borrowers; and provided further, that a non-willful failure of Agent to so notify Borrowers shall not be a breach of the Agreement and shall not cause such exclusion of such Fixed Assets to be ineffective.

"Eligible Inventory" means Inventory of a Borrower that is held for sale, that complies with each of the representations and warranties respecting Eligible Inventory made in the Loan Documents, that Agent, in its Permitted Discretion deems to be Eligible Inventory, and that is not excluded as ineligible by virtue of one or more of the excluding criteria set forth below; provided, that such criteria may be revised from time to time by Agent in Agent's Permitted Discretion to address the results of any field examination or appraisal performed by Agent from time to time after the Closing Date. In determining the amount to be so included, Inventory shall be valued at the lower of cost or market on a basis consistent with Borrowers' historical accounting practices. An item of Inventory shall not be included in Eligible Inventory if:

(a) it is not an infusion pump or disposable tubing necessary for the operation of an infusion pump,

(b) a Borrower does not have good, valid, and marketable title thereto,

(c) a Borrower does not have actual and exclusive possession thereof (either directly or through a bailee or agent of a Borrower),

(d) it is not located at one of the locations in the continental United States set forth on Schedule E-1 to the Agreement (or in-transit from one such location to another such location),

(e) it is in-transit to or from a location of a Borrower (other than in-transit from one location set forth on Schedule E-1 to the Agreement to another location set forth on Schedule E-1 to the Agreement),

(f) it is located on real property leased by a Borrower or in a contract warehouse, in each case, unless it is subject to a Collateral Access Agreement executed by the lessor or warehouseman, as the case may be, and unless it is segregated or otherwise separately identifiable from goods of others, if any, stored on the premises,

(g) it is the subject of a bill of lading or other document of title,

(h) it is not subject to a valid and perfected first priority Agent's Lien,

(i) it consists of goods returned or rejected by a Borrower's customers,

(j) it consists of goods that are obsolete or slow moving, restrictive or custom items, work-in-process, raw materials, or goods that constitute spare parts, packaging and shipping materials, supplies used or consumed in Borrowers' business, bill and hold goods, defective goods, tubing that is not new, infusion pumps that are not new or refurbished and ready for sale or lease, "seconds," Inventory acquired on consignment, or Inventory delivered by Borrower on consignment to any other Person,

(k) it is subject to third party trademark, licensing or other proprietary rights, unless Agent is satisfied that such Inventory can be freely sold by Agent on and after the occurrence of an Event of a Default despite such third party rights,

(l) it was acquired in connection with a Permitted Acquisition, until the completion of an appraisal and field examination of such Inventory, in each case, reasonably satisfactory to Agent (which appraisal and field examination may be conducted prior to the closing of such Permitted Acquisition),

(m) it is not in compliance with all Public Health Laws and standards imposed by the FDA or any other Governmental Authority having regulatory authority over such Inventory, its use, distribution, or sale,

(n) it is not accounted for as "inventory" (i) in Parent's and its Subsidiaries' perpetual inventory system in a manner consistent with Borrowers' historical practices or (ii) on the balance sheet of Parent and its Subsidiaries,

(o) it consists of goods that are, or have been, leased or rented by any Borrower as lessor, held by any Borrower for lease or to be furnished under a contract of service; or furnished by any Borrower under a contract of service or on consignment,

(p) it is (or ever was) accounted for as "fixed assets" (i) in Parent's and its Subsidiaries' perpetual inventory system or (ii) on the balance sheet of Parent and its Subsidiaries, or

(q) Inventory that fails to meet such other reasonable specifications and requirements which may from time to time be established by Agent in its Permitted Discretion; provided, however, that Agent shall provide notice to Borrowers of any such additional specifications and requirements under this clause (q) prior to implementation thereof if such specifications and requirements would result in a material amount of Inventory ceasing to be Eligible Inventory, in which case, such change shall not be effective until the date of delivery of the next Borrowing Base Certificate due after such notice is delivered to Borrowers; and provided further, that a non-willful failure of Agent to so notify Borrowers shall not be a breach of the Agreement and shall not cause such exclusion of such Inventory to be ineffective.

"Eligible Transferee" means (a) any Lender (other than a Defaulting Lender), any Affiliate of any Lender and any Related Fund of any Lender; (b) (i) a commercial bank organized under the laws of the United States or any state thereof, and having total assets in excess of $1,000,000,000; (ii) a savings and loan association or savings bank organized under the laws of the United States or any state thereof, and having total assets in excess of $1,000,000,000; (iii) a commercial bank organized under the laws of any other country or a political subdivision thereof; provided that (A) (x) such bank is acting through a branch or agency located in the United States or (y) such bank is organized under the laws of a country that is a member of the Organization for Economic Cooperation and Development or a political subdivision of such country, and (B) such bank has total assets in excess of $1,000,000,000; (c) any other entity (other than a natural person) that is an "accredited investor" (as defined in Regulation D under the

Securities Act) that extends credit or buys loans as one of its businesses including insurance companies, investment or mutual funds and lease financing companies, and having total assets in excess of $1,000,000,000; and (d) during the continuation of an Event of Default, any other Person approved by Agent; provided, that, no Loan Party or Subsidiary or Affiliate of any Loan Party shall qualify as an Eligible Transferee.

"Environmental Action" means any written complaint, summons, citation, notice, directive, order, claim, litigation, investigation, judicial or administrative proceeding, judgment, letter, or other written communication from any Governmental Authority, or any third party involving violations of Environmental Laws or releases of Hazardous Materials (a) from any assets, properties, or businesses of any Borrower, any Subsidiary of any Borrower, or any of their predecessors in interest, (b) from adjoining properties or businesses, or (c) from or onto any facilities which received Hazardous Materials generated by any Borrower, any Subsidiary of any Borrower, or any of their predecessors in interest.

"Environmental Law" means any applicable federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, to the extent binding on Parent or its Subsidiaries, relating to the environment, the effect of the environment on employee health, or Hazardous Materials, in each case as amended from time to time.

"Environmental Liabilities" means all liabilities, monetary obligations, losses, damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand, or Remedial Action required, by any Governmental Authority or any third party, and which relate to any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"Equipment" means equipment (as that term is defined in the Code).

"Equity Interest" means, with respect to a Person, all of the shares, options, warrants, interests, participations, or other equivalents (regardless of how designated) of or in such Person, whether voting or nonvoting, including capital stock (or other ownership or profit interests or units), preferred stock, or any other "equity security" (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute thereto.

"ERISA Affiliate" means (a) any Person subject to ERISA whose employees are treated as employed by the same employer as the employees of Parent or its Subsidiaries under IRC Section 414(b), (b) any trade or business subject to ERISA whose employees are treated as employed by the same employer as the employees of Parent or its Subsidiaries under IRC Section 414(c), (c) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any organization subject to ERISA that is a member of an affiliated service group of which Parent or any of its Subsidiaries is a member under IRC Section 414(m), or (d) solely for purposes of Section 302 of ERISA and Section 412 of the IRC, any Person subject to ERISA that is a party to an arrangement with Parent or any of its Subsidiaries and whose employees are aggregated with the employees of Parent or its Subsidiaries under IRC Section 414(o).

"Event of Default" has the meaning specified therefor in Section 8 of the Agreement.

"Excess" has the meaning specified therefor in Section 2.14 of the Agreement.

"Excess Availability" means, as of any date of determination, the amount equal to Availability *minus* the aggregate amount, if any, of all trade payables of Parent and its Subsidiaries aged in excess of historical levels with respect thereto and all book overdrafts of Parent and its Subsidiaries in excess of historical practices with respect thereto, in each case as determined by Agent in its Permitted Discretion.

"Excess Cash Flow" means, with respect to any fiscal period and with respect to Parent determined on a consolidated basis in accordance with GAAP the result of:

(a) TTM EBITDA, *minus*

(b) without duplication, the sum of the following amounts of Parent for such period to the extent included in determining net earnings (or loss) for such period,

(i) the cash portion of Interest Expense paid during such fiscal period,

(ii) the cash portion of income taxes paid during such period,

(iii) all scheduled principal payments made in respect of any of the Term Loan A or the Term Loan B during such period,

(iv) all principal payments made in respect of any other Indebtedness (other than any Revolving Loans or other revolving facilities except to the extent that such prepayment of the Advances is accompanied by a permanent reduction of the Maximum Revolver Amount or other applicable commitments), including Capital Leases, during such period,

(v) the cash portion of Capital Expenditures (net of (y) any proceeds reinvested in accordance with the proviso to Section 2.4(e)(ii) of the Agreement to the extent such proceeds are not included in EBITDA, and (z) any proceeds of related financings with respect to such expenditures) made during such period, and

(vi) the aggregate amount of all voluntary prepayments in respect of the outstanding principal balance of the Term Loans made by Borrowers during such fiscal year.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Taxes" means (i) any tax imposed on the net income or net profits of any Lender or any Participant (including any branch profits taxes), in each case imposed by the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender or such Participant is organized or the jurisdiction (or by any political subdivision or taxing authority thereof) in which such Lender's or such Participant's principal office is located in each case as a result of a present or former connection between such Lender or such Participant and the jurisdiction or taxing authority imposing the tax (other than any such connection arising solely from such Lender or such Participant having executed,

delivered or performed its obligations or received payment under, or enforced its rights or remedies under the Agreement or any other Loan Document); (ii) taxes resulting from a Lender's or a Participant's failure to comply with the requirements of Section 16.2 of the Agreement, and (iii) any United States federal withholding taxes that would be imposed on amounts payable to a Foreign Lender based upon the applicable withholding rate in effect at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), except that Indemnified Taxes shall include (A) any amount that such Foreign Lender (or its assignor, if any) was previously entitled to receive pursuant to Section 16.1 of the Agreement, if any, with respect to such withholding tax at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), and (B) additional Taxes that may be imposed after the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), as a result of a Change in Law.

"Existing Credit Facility" means that certain Credit Agreement, dated June 15, 2010, among Parent and certain of its Subsidiaries, each lender from time to time party thereto, Bank of America, N.A., as administrative agent, and Keybank National Association.

"Expected Net Value" means percentages that Agent deems necessary or appropriate, in its Permitted Discretion, adjusted from time to time, to reduce Eligible Accounts by payor class (e.g., Medicare, Medicaid, commercial insurance, etc.) based upon any Borrower's historical collection history, contractual allowances, returns, rebates, discounts, credits and other allowances that may result in the non-payment or diminution in the value of Eligible Accounts.

"Extraordinary Advances" has the meaning specified therefor in Section 2.3(d)(iii) of the Agreement.

"Extraordinary Receipts" means any payments received by Parent or any of its Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.4(e)(ii) of the Agreement) consisting of (i) proceeds of judgments, proceeds of settlements, or other consideration of any kind received in connection with any cause of action or claim, (ii) indemnity payments (other than to the extent such indemnity payments are immediately payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and (iii) any purchase price adjustment received in connection with any purchase agreement.

"FDA" means the U.S. Food and Drug Administration and any Governmental Authority successor thereto.

"Fee Letter" means that certain fee letter, dated as of even date with the Agreement, among Borrowers and Agent, in form and substance reasonably satisfactory to Agent.

"Federal Funds Rate" means, for any period, a fluctuating interest rate per annum equal to, for each day during such period, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Agent from three Federal funds brokers of recognized standing selected by it.

"Fixed Assets" means Inventory consisting of infusion pumps that are held for rent or lease by a Borrower and are (or ever were) accounted for as "fixed assets" (i) in Parent's and its Subsidiaries' perpetual inventory system or (ii) on the balance sheet of Parent and its Subsidiaries.

"Fixed Charges" means, with respect to any fiscal period and with respect to Parent determined on a consolidated basis in accordance with GAAP, the sum, without duplication, of (a) Interest Expense accrued (other than interest paid-in-kind, amortization of financing fees, other non-cash Interest Expense, unused line fees, collateral servicing fees, and prepayment premiums) during such period, (b) scheduled principal payments in respect of Indebtedness that are required to be paid during such period, (c) all federal, state, and local income taxes accrued during such period, to the extent that the amount of liabilities (net of any permitted deduction therefrom for net operating losses) in respect of such accrued amounts is greater than zero, and (d) all Restricted Payments paid (whether in cash or other property, other than common Equity Interest) during such period.

"Fixed Charge Coverage Ratio" means, with respect to any fiscal period and with respect to Parent determined on a consolidated basis in accordance with GAAP, the ratio of (a) EBITDA for such period *minus* Capital Expenditures, excluding Capital Lease Obligations for Fixed Assets incurred during such period, made (to the extent not already incurred in a prior period) or incurred during such period, to (b) Fixed Charges for such period.

"Flow of Funds Agreement" means a flow of funds agreement, dated as of even date herewith, in form and substance reasonably satisfactory to Agent, executed and delivered by each Loan Party and Agent.

"Foreign Lender" means any Lender or Participant that is not a United States person within the meaning of IRC section 7701(a)(30).

"Funded Indebtedness" means, as of any date of determination, all Indebtedness for borrowed money or letters of credit of Parent, determined on a consolidated basis in accordance with GAAP, that by its terms matures more than one year after the date of determination, and any such Indebtedness maturing within one year from such date that is renewable or extendable at the option of Parent or its Subsidiaries, as applicable, to a date more than one year from such date, including, in any event, but without duplication, with respect to Parent and its Subsidiaries, the Revolver Usage, the Term Loan A, the Term Loan B, and the amount of their Capitalized Lease Obligations.

"Funding Date" means the date on which a Borrowing occurs.

"Funding Losses" has the meaning specified therefor in Section 2.12(b)(ii) of the Agreement.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

"Government Account Debtor" means the United States government or a political subdivision thereof (including, without limitation, CMS), or any state, county or municipality or department, agency or instrumentality thereof, that is responsible for payment of an Account, chattel paper or general intangible under any Government Reimbursement Program, or any agent, administrator, intermediary or carrier for the foregoing.

"Government Receivable" means any Account or any other amount or obligation that is payable by a Government Account Debtor pursuant to a Government Reimbursement Program.

"Government Receivables Lockbox Account" means a Deposit Account of any Loan Party that is used exclusively for the receipt of Collections of Government Receivables.

"Government Receivables Lockbox Account Agreement" means an agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by Parent or one of its Subsidiaries, Agent, and the applicable bank with respect to a Government Receivables Lockbox Account, in accordance with the terms and conditions of Section 7(k) of the Guaranty and Security Agreement.

"Government Reimbursement Program" means (a) Medicare, (b) Medicaid, (c) the Federal Employees Health Benefit Program under 5 U.S.C. §§ 8902 et seq., (d) TRICARE, (e) CHAMPVA, or (f) if applicable within the context of this Agreement, any agent, administrator, administrative contractor, intermediary or carrier for any of the foregoing.

"Governmental Authority" means the government of any nation or any political subdivision thereof, whether at the national, state, territorial, provincial, municipal or any other level, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of, or pertaining to, government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantor" means (a) each Subsidiary of Parent (other than any Borrower), (b) Parent, (c) Holdings, and (d) each other Person that becomes a guarantor after the Closing Date pursuant to Section 5.11 of the Agreement.

"Guaranty and Security Agreement" means a guaranty and security agreement, dated as of even date with the Agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by each of the Borrowers and each of the Guarantors to Agent.

"Hazardous Materials" means (a) substances that are defined or listed in, or otherwise classified pursuant to, any applicable laws or regulations as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity", (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, and (d) asbestos in any form or electrical equipment that contains any oil or dielectric fluid containing levels of polychlorinated biphenyls in excess of 50 parts per million.

"Health Care Laws" means, collectively, any and all federal, state or local laws, rules, regulations, orders, administrative manuals, guidelines and requirements relating to any of the following: (a) fraud and abuse (including the following statutes, as amended, modified or supplemented from time to time and any successor statutes thereto and regulations promulgated from time to time thereunder: the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Stark Law (42 U.S.C. § 1395nn and §1395(q)), the civil False Claims Act (31 U.S.C. § 3729 et seq.), the federal health care program exclusion provisions (42 U.S.C. § 1320a-7), the Civil Monetary Penalties Act (42 U.S.C. § 1320a-7a), and the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. No. 108-173)); (b) any Government Reimbursement Program; (c) the licensure or regulation of healthcare providers, suppliers, professionals, facilities or payors (including the DMEPOS Supplier Standards established by the Health Care Financing Administration and all statutes and regulations administered by

the FDA); (d) the provision of, or payment for, health care services, items or supplies; (e) quality, safety certification and accreditation standards and requirements; (f) the billing, coding or submission of claims or collection of accounts receivable or refund of overpayments; (g) HIPAA; (h) the practice of medicine and other health care professions or the organization of medical or professional entities; (i) fee-splitting prohibitions; (j) requirements for maintaining federal, state and local tax-exempt status of Borrower or any Loan Party; (k) charitable trusts or charitable solicitation laws; (l) health planning or rate-setting laws, including laws regarding certificates of need and certificates of exemption; and (m) any and all other applicable federal, state or local health care laws, rules, codes, regulations, manuals, orders, ordinances, professional or ethical rules, administrative guidance and requirements, as the same may be amended, modified or supplemented from time to time.

"Health Care Permits" means any and all permits, licenses, authorizations, certificates, certificates of need, accreditations and plans of third-party accreditation agencies (such as the Community Health Accreditation Program and the Joint Commission for Accreditation of Healthcare Organizations) that are (a) necessary to enable any Loan Party to provide services, participate in and receive payment under any Government Reimbursement Program or other Third Party Payor Arrangement, as applicable, or otherwise continue to conduct its business as it is conducted on the Closing Date, or (b) required under any Health Care Law.

"Hedge Agreement" means a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

"Hedge Obligations" means any and all obligations or liabilities, whether absolute or contingent, due or to become due, now existing or hereafter arising, of Parent and its Subsidiaries arising under, owing pursuant to, or existing in respect of Hedge Agreements entered into with one or more of the Hedge Providers.

"Hedge Provider" means Wells Fargo or any of its Affiliates.

"HIPAA" means (a) the Health Insurance Portability and Accountability Act of 1996; (b) the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009); and (c) any state and local laws regulating the privacy and/or security of individually identifiable information, in each case as the same may be amended, modified or supplemented from time to time, any successor statutes thereto, and any and all rules or regulations promulgated from time to time thereunder.

"IFC" means IFC LLC, a Delaware limited liability company.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets, including seller notes and Earn-Outs (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), (f) all monetary obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly

guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation.

"Indemnified Liabilities" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Person" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Taxes" means, any Taxes other than Excluded Taxes.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Intercompany Subordination Agreement" means an intercompany subordination agreement, dated as of even date with the Agreement, executed and delivered by Parent, each of its Subsidiaries, and Agent, the form and substance of which is reasonably satisfactory to Agent.

"Interest Expense" means, for any period, the aggregate of the interest expense of Parent for such period, determined on a consolidated basis in accordance with GAAP.

"Interest Period" means, with respect to each LIBOR Rate Loan, a period commencing on the date of the making of such LIBOR Rate Loan (or the continuation of a LIBOR Rate Loan or the conversion of a Base Rate Loan to a LIBOR Rate Loan) and ending 1, 2, or 3 months thereafter; provided, that (a) interest shall accrue at the applicable rate based upon the LIBOR Rate from and including the first day of each Interest Period to, but excluding, the day on which any Interest Period expires, (b) any Interest Period that would end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day, (c) with respect to an Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period), the Interest Period shall end on the last Business Day of the calendar month that is 1, 2, or 3 months after the date on which the Interest Period began, as applicable, and (d) Borrowers may not elect an Interest Period which will end after the Maturity Date.

"Inventory" means inventory (as that term is defined in the Code).

"Inventory Reserves means, as of any date of determination, (a) Landlord Reserves, and (b) those reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to Section 2.1(c), to establish and maintain (including reserves for slow moving Inventory and Inventory shrinkage) with respect to Eligible Inventory or the Maximum Revolver Amount.

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* accounts receivable arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs, or write-offs with respect to such Investment.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"ISP" means, with respect to any Letter of Credit, the International Standby Practices 1998 (International Chamber of Commerce Publication No. 590) and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

"Issuer Document" means, with respect to any Letter of Credit, a letter of credit application, a letter of credit agreement, or any other document, agreement or instrument entered into (or to be entered into) by a Borrower in favor of Issuing Bank and relating to such Letter of Credit.

"Issuing Bank" means Wells Fargo or any other Lender that, at the request of Borrowers and with the consent of Agent, agrees, in such Lender's sole discretion, to become an Issuing Bank for the purpose of issuing Letters of Credit pursuant to Section 2.11 of the Agreement, and Issuing Bank shall be a Lender.

"Landlord Reserve" means, as to each location at which a Borrower has Inventory or books and records located and as to which a Collateral Access Agreement has not been received by Agent, a reserve in an amount equal to the greater of (a) the number of months rent for which the landlord will have, under applicable law, a Lien in the Inventory of such Borrower to secure the payment of rent or other amounts under the lease relative to such location, or (b) 3 months rent under the lease relative to such location.

"Lead Arranger" has the meaning set forth in the preamble to the Agreement.

"Lender" has the meaning set forth in the preamble to the Agreement, shall include Issuing Bank and the Swing Lender, and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of the Agreement and "Lenders" means each of the Lenders or any one or more of them.

"Lender Group" means each of the Lenders (including Issuing Bank and the Swing Lender) and Agent, or any one or more of them.

"Lender Group Expenses" means all (a) costs or expenses (including taxes and insurance premiums) required to be paid by Parent or its Subsidiaries under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) documented out-of-pocket fees or charges paid or incurred by Agent in connection with the Lender Group's transactions with Parent and its Subsidiaries under any of the Loan Documents, including, photocopying, notarization, couriers and messengers, telecommunication, public record searches, filing fees, recording fees, publication, real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent's customary fees and charges imposed or incurred in connection with any background checks or OFAC/PEP searches related to

Parent or its Subsidiaries, (d) Agent's customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Borrower (whether by wire transfer or otherwise), together with any out-of-pocket costs and expenses incurred in connection therewith, (e) customary charges imposed or incurred by Agent resulting from the dishonor of checks payable by or to any Loan Party, (f) reasonable documented out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (g) field examination, appraisal, and valuation fees and expenses of Agent related to any field examinations, appraisals, or valuation to the extent of the fees and charges (and up to the amount of any limitation) provided in Section 2.10 of the Agreement, (h) Agent's reasonable costs and expenses (including reasonable documented attorneys fees and expenses) relative to third party claims or any other lawsuit or adverse proceeding paid or incurred, whether in enforcing or defending the Loan Documents or otherwise in connection with the transactions contemplated by the Loan Documents, Agent's Liens in and to the Collateral, or the Lender Group's relationship with Parent or any of its Subsidiaries, (i) Agent's reasonable documented costs and expenses (including reasonable documented attorneys fees and due diligence expenses) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating (including reasonable costs and expenses relative to the rating of any of the Term Loans, CUSIP, DXSyndicate™, SyndTrak or other communication costs incurred in connection with a syndication of the loan facilities), or amending, waiving, or modifying the Loan Documents, (j) PennantPark's reasonable documented costs and expenses (including reasonable documented attorneys fees and due diligence expenses) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), or amending, waiving, or modifying the Loan Documents, and (k) Agent's and each Lender's reasonable documented costs and expenses (including reasonable documented attorneys, accountants, consultants, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning Parent or any of its Subsidiaries or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether a lawsuit or other adverse proceeding is brought, or in taking any enforcement action or any Remedial Action with respect to the Collateral.

"Lender Group Representatives" has the meaning specified therefor in Section 17.9 of the Agreement.

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"Letter of Credit" means a letter of credit (as that term is defined in the Code) issued by Issuing Bank.

"Letter of Credit Collateralization" means either (a) providing cash collateral (pursuant to documentation reasonably satisfactory to Agent, including provisions that specify that the Letter of Credit Fees and all commissions, fees, charges and expenses provided for in Section 2.11(k) of the Agreement (including any fronting fees) will continue to accrue while the Letters of Credit are outstanding) to be held by Agent for the benefit of the Revolving Lenders in an amount equal to 105% of the then existing Letter of Credit Usage, (b) delivering to Agent documentation executed by all beneficiaries under the Letters of Credit, in form and substance reasonably satisfactory to Agent and Issuing Bank, terminating all of such beneficiaries' rights under the Letters of Credit, or (c) providing Agent with a standby letter of credit, in form and substance reasonably satisfactory to Agent, from a commercial bank acceptable to Agent (in its sole discretion) in an amount equal to 105% of the then existing Letter of Credit Usage (it

being understood that the Letter of Credit Fee and all fronting fees set forth in the Agreement will continue to accrue while the Letters of Credit are outstanding and that any such fees that accrue must be an amount that can be drawn under any such standby letter of credit).

"Letter of Credit Disbursement" means a payment made by Issuing Bank pursuant to a Letter of Credit.

"Letter of Credit Exposure" means, as of any date of determination with respect to any Lender, such Lender's Pro Rata Share of the Letter of Credit Usage on such date.

"Letter of Credit Fee" has the meaning specified therefor in Section 2.6(b) of the Agreement.

"Letter of Credit Indemnified Costs" has the meaning specified therefor in Section 2.11(f) of the Agreement.

"Letter of Credit Related Person" has the meaning specified therefor in Section 2.11(f) of the Agreement.

"Letter of Credit Usage" means, as of any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit.

"Leverage Ratio" means, as of any date of determination the result of (a) the amount of Parent's Funded Indebtedness as of such date, to (b) Parent's EBITDA for the 12 month period ended as of such date.

"LIBOR Deadline" has the meaning specified therefor in Section 2.12(b)(i) of the Agreement.

"LIBOR Notice" means a written notice in the form of Exhibit L-1 to the Agreement.

"LIBOR Option" has the meaning specified therefor in Section 2.12(a) of the Agreement.

"LIBOR Rate" means the greater of (a) 2.00 percent per annum, and (b) the rate per annum rate appearing on Macro*World's (https://capitalmarkets.mworld.com; the "Service") Page BBA LIBOR - USD (or on any successor or substitute page of such Service, or any successor to or substitute for such Service) 2 Business Days prior to the commencement of the requested Interest Period, for a term, and in an amount, comparable to the Interest Period and the amount of the LIBOR Rate Loan requested (whether as an initial LIBOR Rate Loan or as a continuation of a LIBOR Rate Loan or as a conversion of a Base Rate Loan to a LIBOR Rate Loan) by Borrowers in accordance with the Agreement (and, if any such rate is below zero, the LIBOR Rate shall be deemed to be zero), which determination shall be made by Agent and shall be conclusive in the absence of manifest error.

"LIBOR Rate Loan" means each portion of a Revolving Loan, the Term Loan A, or the Term Loan B that bears interest at a rate determined by reference to the LIBOR Rate.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Loan" shall mean any Revolving Loan, Swing Loan, Extraordinary Advance, Term Loan A, or Term Loan B made (or to be made) hereunder.

"Loan Account" has the meaning specified therefor in Section 2.9(a) of the Agreement.

"Loan Documents" means the Agreement, the Control Agreements, the Controlled Account Agreements, the Government Receivables Lockbox Account Agreements, the Copyright Security Agreement, any Borrowing Base Certificate, the Fee Letter, the Flow of Funds Agreement, the Guaranty and Security Agreement, the Intercompany Subordination Agreement, any Issuer Documents, the Letters of Credit, the Mortgages, the Patent Security Agreement, the Trademark Security Agreement, any note or notes executed by Borrowers in connection with the Agreement and payable to any member of the Lender Group, and any other instrument or agreement entered into, now or in the future, by Parent or any of its Subsidiaries and any member of the Lender Group in connection with the Agreement.

"Loan Party" means any Borrower or any Guarantor.

"Major Application Event" means the occurrence of (a) a failure by Borrowers to repay all of the Obligations in full on the Maturity Date, (b) the acceleration of all or any portion of the Obligations, (c) the commencement and continuance of the exercise of remedies by Agent with respect to any Loan Party or any Collateral in accordance with the terms of the Loan Documents following the occurrence of an Event of Default, or (d) an Event of Default under Section 5.2 (for the failure to deliver a Borrowing Base Certificate by the deadline specified in Schedule 5.2), Section 8.1, Section 8.2(a) (solely with respect to a breach of Section 7 of the Credit Agreement), Section 8.4, Section 8.5, Section 8.12, Section 8.13, Section 8.14, or Section 8.15 of the Agreement.

"Margin Stock" as defined in Regulation U of the Board of Governors as in effect from time to time.

"Material Adverse Effect" means (a) a material adverse effect in the business, operations, results of operations, assets, liabilities or financial condition of Parent and its Subsidiaries, taken as a whole, (b) a material impairment of Parent's and its Subsidiaries' ability to perform their obligations under the Loan Documents to which they are parties or of the Lender Group's ability to enforce the Obligations or realize upon the Collateral (other than as a result of as a result of an action taken or not taken that is solely in the control of Agent), or (c) a material impairment of the enforceability or priority of Agent's Liens with respect to all or a material portion of the Collateral.

"Maturity Date" means November 30, 2016.

"Maximum Revolver Amount" means $10,000,000, decreased by the amount of reductions in the Revolver Commitments made in accordance with Section 2.4(c) of the Agreement.

"Medicaid" means, collectively, the healthcare assistance program established by Title XIX of the Social Security Act (42 U.S.C. §§ 1396 et seq.) and any statutes succeeding thereto, and all laws, rules, regulations, manuals, orders, guidelines or requirements (whether or not having the force of law) pertaining to such program, including all state statutes and plans for medical assistance enacted in connection with such program, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"Medical Services" means medical and health care items, services or supplies provided to a patient, including durable medical equipment, physician services, nurse and therapist services, dental services, hospital services, skilled nursing facility services, comprehensive outpatient rehabilitation services, home health care services, residential and out-patient behavioral healthcare services, and other medicine or health care equipment provided by Borrower to a patient for a valid and proper medical or health purpose.

"Medicare" means, collectively, the health insurance program for the aged and disabled established by Title XVIII of the Social Security Act (42 U.S.C. §§ 1395 et seq.) and any statutes succeeding thereto, and all laws, rules, regulations, manuals, orders, guidelines or requirements (whether or not having the force of law) pertaining to such program, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"Moody's" has the meaning specified therefor in the definition of Cash Equivalents.

"Mortgages" means, individually and collectively, one or more mortgages, deeds of trust, or deeds to secure debt, executed and delivered by Parent or one of its Subsidiaries in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property Collateral.

"Net Cash Proceeds" means:

(a) with respect to any sale or disposition by Parent or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of Parent or such Subsidiary, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under the Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities by Parent or such Subsidiary in connection with such sale or disposition, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction; and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by GAAP, and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 30 days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (x) deposited into escrow with a third party escrow agent or set aside in a separate Deposit Account that is subject to a Control Agreement in favor of Agent and (y) paid to Agent as a prepayment of the applicable Obligations in accordance with Section 2.4(e) of the Agreement at such time when such amounts are no longer required to be set aside as such a reserve; and

(b) with respect to the issuance or incurrence of any Indebtedness by Parent or any of its Subsidiaries, or the issuance by Parent or any of its Subsidiaries of any Equity Interests, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of Parent or such Subsidiary in connection with such issuance or incurrence, after deducting therefrom only (i) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such issuance or incurrence, (ii) taxes paid or payable to any taxing authorities by Parent or such Subsidiary in connection with such issuance or incurrence, in each case to the extent, but only to

the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction.

"Net Recovery Percentage" means, as of any date of determination, (a) with respect to Inventory (other than any Fixed Assets), the percentage of the book value of Borrowers' Inventory consisting of medical devices that are infusion pumps held for sale that is estimated to be recoverable in an orderly liquidation of such Inventory net of all associated costs and expenses of such liquidation, such percentage to be determined as to each category of Inventory and to be as specified in the most recent appraisal received by Agent from an appraisal company selected by Agent and (b) with respect to Fixed Assets, the percentage of the book value of Borrowers' Inventory consisting of medical devices that are infusion pumps held for lease or rent that is estimated to be recoverable in an orderly liquidation of such Inventory net of all associated costs and expenses of such liquidation, such percentage to be determined as to each category of Eligible Fixed Assets and to be as specified in the most recent appraisal received by Agent from an appraisal company selected by Agent.

"Net Working Capital" means, as of any date of determination, Current Assets as of such date minus Current Liabilities as of such date.

"Non-Consenting Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Non-Defaulting Lender" means each Lender other than a Defaulting Lender.

"Non-Government Receivable" means an Account or any other amount receivable that is not a Government Receivable.

"Non-Government Receivables Lockbox Account" means a Deposit Account of any loan Party that is used exclusively for the receipt of Collections of Accounts that are not Government Receivables.

"Obligations" means (a) all loans (including the Term Loan A, the Term loan B, and the Revolving Loans (inclusive of Extraordinary Advances and Swing Loans)), debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), reimbursement or indemnification obligations with respect to Letters of Credit (irrespective of whether contingent), premiums, liabilities (including all amounts charged to the Loan Account or the Term B Loan Account pursuant to the Agreement), obligations (including indemnification obligations), fees (including the fees provided for in the Fee Letter), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, and all covenants and duties of any other kind and description owing by any Loan Party arising out of, under, pursuant to, in connection with, or evidenced by the Agreement or any of the other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Borrowers are required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents, and (b) all Bank Product Obligations. Without limiting the generality of the foregoing, the Obligations of Borrowers under the Loan Documents include the obligation to pay (i) the principal of the Revolving Loans, the Term Loan A, and the Term Loan B, (ii) interest accrued on the Revolving Loans, the Term Loan A, and the Term Loan B, (iii) the amount necessary to reimburse Issuing Bank for amounts paid or payable pursuant to Letters of Credit,

(iv) Letter of Credit commissions, fees (including fronting fees) and charges, (v) Lender Group Expenses, (vi) fees payable under the Agreement or any of the other Loan Documents, and (vii) indemnities and other amounts payable by any Loan Party under any Loan Document. Any reference in the Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Originating Lender" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Overadvance" means, as of any date of determination, that the Revolver Usage is greater than any of the limitations set forth in Section 2.1 or Section 2.11.

"Parent" has the meaning specified therefor in the preamble to the Agreement.

"Participant" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Participant Register" has the meaning set forth in Section 13.1(i) of the Agreement.

"Patent Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"Patriot Act" has the meaning specified therefor in Section 4.13 of the Agreement.

"PennantPark" means PennantPark Investment Corporation, a Maryland corporation.

"Permitted Acquisition" means any Acquisition so long as:

(a) no Default or Event of Default shall have occurred and be continuing or would result from the consummation of the proposed Acquisition and the proposed Acquisition shall not be hostile and shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equityholders of the Person whose assets or Equity Interests are being acquired,

(b) no Indebtedness will be incurred, assumed, or would exist with respect to Parent or its Subsidiaries as a result of such Acquisition, other than Indebtedness permitted under clauses (f) or (g) of the definition of Permitted Indebtedness and no Liens will be incurred, assumed, or would exist with respect to the assets of Parent or its Subsidiaries as a result or such Acquisition other than Permitted Liens,

(c) Borrowers have provided Agent with written confirmation, supported by reasonably detailed calculations, that on a *pro forma* basis (including *pro forma* adjustments arising out of events which are directly attributable to such proposed Acquisition, are factually supportable, and are expected to have a continuing impact, in each case, determined as if the combination had been accomplished at the beginning of the relevant period; such eliminations and inclusions to be mutually and reasonably agreed upon by Parent and Agent) created by adding the historical combined financial statements of Parent (including the combined financial statements of any other Person or assets that were the subject of a prior Permitted Acquisition during the relevant period) to the historical consolidated financial statements of the Person to be acquired (or the historical financial statements related to the assets to be acquired) pursuant to the proposed Acquisition, Parent and its Subsidiaries (i) would have been in compliance with the

financial covenants in Section 7 of the Agreement for the 4 fiscal quarter period ended immediately prior to the proposed date of consummation of such proposed Acquisition, and (ii) are projected to be in compliance with the financial covenants in Section 7 of the Agreement for the 4 fiscal quarter period ended one year after the proposed date of consummation of such proposed Acquisition; and provided that after giving effect to the consummation of the proposed Acquisition and the financing thereof, the Leverage Ratio of the Loan Parties shall be 0.25 to 1.00 less than the maximum Leverage Ratio then permitted under Section 7 of the Agreement,

(d) Borrowers have provided Agent with its due diligence package relative to the proposed Acquisition, including forecasted balance sheets, profit and loss statements, and cash flow statements of the Person or assets to be acquired, all prepared on a basis consistent with such Person's (or assets') historical financial statements, together with appropriate supporting details and a statement of underlying assumptions for the 1 year period following the date of the proposed Acquisition, on a quarter by quarter basis), in form and substance (including as to scope and underlying assumptions) reasonably satisfactory to Agent,

(e) Borrowers shall have Excess Availability plus Qualified Cash in an amount equal to or greater than $3,000,000 immediately after giving effect to the consummation of the proposed Acquisition,

(f) the assets being acquired or the Person whose Equity Interests are being acquired did not have negative EBITDA during the 12 consecutive month period most recently concluded prior to the date of the proposed Acquisition,

(g) Borrowers have provided Agent with written notice of the proposed Acquisition at least 15 Business Days prior to the anticipated closing date of the proposed Acquisition and, not later than 5 Business Days prior to the anticipated closing date of the proposed Acquisition, copies of the acquisition agreement and other material documents relative to the proposed Acquisition, which agreement and documents must be reasonably acceptable to Agent,

(h) the assets being acquired (other than a *de minimis* amount of assets in relation to Parent's and its Subsidiaries' total assets), or the Person whose Equity Interests are being acquired, are useful in or engaged in, as applicable, the business of Parent and their Subsidiaries or a business reasonably related thereto,

(i) the assets being acquired (other than a *de minimis* amount of assets in relation to the assets being acquired) are located within the United States or the Person whose Equity Interests are being acquired is organized in a jurisdiction located within the United States,

(j) the subject assets or Equity Interests, as applicable, are being acquired directly by a Borrower or one of its Subsidiaries that is a Loan Party, and, in connection therewith, the applicable Loan Party shall have complied with Section 5.11 or 5.12 of the Agreement, as applicable, of the Agreement and, in the case of an acquisition of Equity Interests, the applicable Loan Party shall have demonstrated to Agent that the new Loan Parties have received consideration sufficient to make the joinder documents binding and enforceable against such new Loan Parties,

(k) all representations and warranties contained in the Agreement and in the other Loan Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such proposed Acquisition (both before and after giving effect thereto), unless stated to relate to a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, and

(l) the Purchase Price payable in respect of all Permitted Acquisitions (including the proposed Acquisition) shall not exceed $5,000,000 in the aggregate.

"Permitted Discretion" means a determination made in the exercise of commercially reasonable (from the perspective of a secured asset-based lender) business judgment.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business and leases or subleases of Real Property not useful in the conduct of the business of Parent and its Subsidiaries,

(b) sales of (i) Fixed Assets in the ordinary course of business so long as (x) such sale of Fixed Assets is made at fair market value, (y) the aggregate fair market value of all Inventory that constitutes Fixed Assets disposed of in such fiscal year (including the proposed disposition) would not exceed $4,000,000, and (z) the Net Cash Proceeds of such sale of Fixed Assets are either (A) applied to prepay the Obligations pursuant to Section 2.4(c)(ii) (without giving effect to the proviso thereto) or (B) reinvested in replacement Fixed Assets if (1) no Default or Event of Default shall have occurred and is continuing or would result therefrom, (2) the Net Cash Proceeds of such Fixed Assets are deposited in a Deposit Account in which Agent has a perfected first-priority security interest pending reinvestment in Fixed Assets, other than Net Cash Proceeds in an aggregate amount not to exceed $50,000 at any one time which may be used by Borrowers in the ordinary course of their business pending reinvestment rather than deposited in a Deposit Account, (3) Borrowers shall report the amount of such Net Cash Proceeds as and when required pursuant to Schedule 5.2; and (4) Borrowers complete such purchase within 90 days after the initial receipt of such monies (it being understood that to the extent that such applicable period shall have expired without such replacement or purchase being made or completed, an amount equal to the amount of such Net Cash Proceeds shall be paid to Agent and applied in accordance with Section 2.4(f)(ii)) and (ii) Inventory (other than Fixed Assets) to buyers in the ordinary course of business,

(c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of the Agreement or the other Loan Documents,

(d) the licensing, on a non-exclusive basis, of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,

(e) the granting of Permitted Liens,

(f) the sale or discount, in each case without recourse, of accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof,

(g) any involuntary loss, damage or destruction of property,

(h) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property,

(i) the leasing or subleasing of assets of Parent or its Subsidiaries in the ordinary course of business,

(j) the sale or issuance of Equity Interests (other than Disqualified Equity Interests) of Parent,

(k) (i) the lapse of registered patents, trademarks, copyrights and other intellectual property of Parent or any of its Subsidiaries to the extent not economically desirable in the conduct of its business or (ii) the abandonment of patents, trademarks, copyrights, or other intellectual property rights in the ordinary course of business so long as (in each case under clauses (i) and (ii)), (A) with respect to copyrights, such copyrights are not material revenue generating copyrights, and (B) such lapse is not materially adverse to the interests of the Lender Group,

(l) the making of Restricted Payments that are expressly permitted to be made pursuant to the Agreement,

(m) the making of Permitted Investments,

(n) so long as no Event of Default has occurred and is continuing or would immediately result therefrom, transfers of assets (i) from any Loan Party or any of its Subsidiaries to a Loan Party (other than Parent or Holdings), and (ii) from any Subsidiary of Parent that is not a Loan Party to any other Subsidiary of Parent; provided, however, the forgoing to the contrary notwithstanding, under no circumstances shall (y) Holdings be permitted to transfer the Equity Interests of any of its Subsidiaries to any Person in reliance on this clause (n), or (z) Parent be permitted to transfer the Equity Interests of Holdings to any Person in reliance on this clause (n),

(o) sales or dispositions of assets (other than Accounts, Inventory, and Equity Interests of Subsidiaries of Parent) not otherwise permitted in clauses (a) through (n) above so long as made at fair market value and the aggregate fair market value of all assets disposed of in a fiscal year (including the proposed disposition) would not exceed $500,000.

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by the Agreement or the other Loan Documents,

(b) Indebtedness set forth on Schedule 4.14 to the Agreement and any Refinancing Indebtedness in respect of such Indebtedness,

(c) Permitted Purchase Money Indebtedness and any Refinancing Indebtedness in respect of such Indebtedness,

(d) endorsement of instruments or other payment items for deposit,

(e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; and (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions,

(f) Acquired Indebtedness in an amount not to exceed $500,000 outstanding at any one time,

(g) Indebtedness incurred in the ordinary course of business under performance, surety, statutory, or appeal bonds,

(h) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to Parent or any of its Subsidiaries, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year,

(i) the incurrence by Parent or its Subsidiaries of Indebtedness under Hedge Agreements that are incurred for the bona fide purpose of hedging the interest rate, commodity, or foreign currency risks associated with Parent's and its Subsidiaries' operations and not for speculative purposes,

(j) Indebtedness incurred in the ordinary course of business in respect of credit cards, credit card processing services, debit cards, stored value cards, commercial cards (including so-called "purchase cards", "procurement cards" or "p-cards"), or Cash Management Services,

(k) unsecured Indebtedness of Parent owing to former employees, officers, or directors (or any spouses, ex-spouses, or estates of any of the foregoing) incurred in connection with the repurchase by Parent of the Equity Interests of Parent that has been issued to such Persons, so long as (i) no Default or Event of Default has occurred and is continuing or would result from the incurrence of such Indebtedness, (ii) the aggregate amount of all such Indebtedness outstanding at any one time does not exceed $500,000, and (iii) such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to Agent,

(l) contingent liabilities in respect of any indemnification obligation, adjustment of purchase price, non-compete, or similar obligation of any Loan Party incurred in connection with the consummation of one or more Permitted Acquisitions,

(m) Indebtedness composing Permitted Investments,

(n) unsecured Indebtedness incurred in respect of netting services, overdraft protection, and other like services, in each case, incurred in the ordinary course of business,

(o) unsecured Indebtedness of Parent or its Subsidiaries in respect of Earn-Outs or seller notes owing to sellers of assets or Equity Interests to such Borrower or its Subsidiaries that is incurred in connection with the consummation of one or more Permitted Acquisitions so long as such unsecured Indebtedness is on terms and conditions reasonably acceptable to Agent (and, for the avoidance of doubt, so long as the aggregate amount thereof, together with the other components of the aggregate Purchase Price for all Permitted Acquisitions, does not exceed $5,000,000 in the aggregate),

(p) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Permitted Indebtedness,

(q) Indebtedness of Parent consisting of reimbursement obligations in an aggregate amount not to exceed $80,850 in respect of that certain Standby Letter of Credit Number 68051926 issued by Bank of America, and

(r) any other unsecured Indebtedness incurred by Parent or any of its Subsidiaries in an aggregate outstanding amount not to exceed $500,000 at any one time.

"Permitted Intercompany Advances" means loans made by (a) a Loan Party to another Loan Party (other than Parent or Holdings), (b) a Subsidiary of Parent that is not a Loan Party to another Subsidiary of Parent that is not a Loan Party, and (c) a Subsidiary of Parent that is not a Loan Party to a Loan Party, so long as the parties thereto are party to the Intercompany Subordination Agreement.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents,

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business,

(c) advances made in connection with purchases of goods or services in the ordinary course of business,

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favor of a Loan Party or its Subsidiaries,

(e) Investments owned by any Loan Party or any of its Subsidiaries on the Closing Date and set forth on Schedule P-1 to the Agreement,

(f) guarantees permitted under the definition of Permitted Indebtedness,

(g) Permitted Intercompany Advances,

(h) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to a Loan Party or its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business) or as security for any such Indebtedness or claims,

(i) deposits of cash made in the ordinary course of business to secure performance of operating leases,

(j) (i) non-cash loans and advances to employees, officers, and directors of Parent or any of its Subsidiaries for the purpose of purchasing Equity Interests in Parent so long as the proceeds of such loans are used in their entirety to purchase such Equity Interests in Parent, and (ii) loans and advances to employees and officers of Parent or any of its Subsidiaries in the ordinary course of business for any other business purpose and in an aggregate amount not to exceed $500,000 at any one time,

(k) Permitted Acquisitions,

(l) Investments in the form of capital contributions and the acquisition of Equity Interests made by any Loan Party in any other Loan Party (other than (i) capital contributions to or the acquisition of Equity Interests of Parent and (ii) capital contributions to or the acquisition of Equity Interests of Holdings by any Person other than Parent),

(m) Investments resulting from entering into (i) Bank Product Agreements, or (ii) agreements relative to Indebtedness that is permitted under clause (j) of the definition of Permitted Indebtedness,

(n) equity Investments by any Loan Party in any Subsidiary of such Loan Party which is required by law to maintain a minimum net capital requirement or as may be otherwise required by applicable law,

(o) Investments held by a Person acquired in a Permitted Acquisition to the extent that such Investments were not made in contemplation of or in connection with such Permitted Acquisition and were in existence on the date of such Permitted Acquisition, and

(p) so long as no Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed $500,000 during the term of the Agreement.

"Permitted Liens" means

(a) Liens granted to, or for the benefit of, Agent to secure the Obligations,

(b) Liens for unpaid Taxes, assessments, or other governmental charges or levies that either (i) are not yet delinquent, or (ii) do not have priority over Agent's Liens and the underlying Taxes, assessments, or charges or levies are the subject of Permitted Protests,

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of the Agreement,

(d) Liens set forth on Schedule P-2 to the Agreement; provided, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 to the Agreement shall only secure the Indebtedness that it secures on the Closing Date and any Refinancing Indebtedness in respect thereof,

(e) the interests of lessors under operating leases and non-exclusive licensors under license agreements,

(f) purchase money Liens or the interests of lessors under Capital Leases to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the asset purchased or acquired and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset purchased or acquired or any Refinancing Indebtedness in respect thereof,

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests,

(h) Liens on amounts deposited to secure Parent's and its Subsidiaries obligations in connection with worker's compensation or other unemployment insurance,

(i) Liens on amounts deposited to secure Parent's and its Subsidiaries obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business and not in connection with the borrowing of money,

(j) Liens on amounts deposited to secure Parent's and its Subsidiaries reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business,

(k) with respect to any Real Property, easements, rights of way, and zoning restrictions that do not materially interfere with or impair the use or operation thereof,

(l) non-exclusive licenses of patents, trademarks, copyrights, and other intellectual property rights in the ordinary course of business,

(m) Liens that are replacements of Permitted Liens to the extent that the original Indebtedness is the subject of permitted Refinancing Indebtedness and so long as the replacement Liens only encumber those assets that secured the original Indebtedness,

(n) rights of setoff or bankers' liens upon deposits of funds in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such Deposit Accounts in the ordinary course of business,

(o) Liens granted in the ordinary course of business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under the definition of Permitted Indebtedness,

(p) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods,

(q) Liens solely on any cash earnest money deposits made by Parent or any of its Subsidiaries in connection with any letter of intent or purchase agreement with respect to a Permitted Acquisition,

(r) Liens assumed by Parent or its Subsidiaries in connection with a Permitted Acquisition that secure Acquired Indebtedness,

(s) Liens on an aggregate amount of cash or Cash Equivalents not to exceed $80,850 to secure the Indebtedness permitted pursuant to clause (q) of the definition of Permitted Indebtedness; and

(s) other Liens which do not secure Indebtedness for borrowed money or letters of credit and as to which the aggregate amount of the obligations secured thereby does not exceed $10,000.

"Permitted Protest" means the right of Parent or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), taxes (other than payroll taxes or taxes that are the subject of a United States federal tax lien), or rental payment, provided that (a) a reserve with respect to such obligation is established on Parent's or its Subsidiaries' books and records in such amount as is required under GAAP, (b) any such protest is instituted promptly and prosecuted diligently by Parent or its Subsidiary, as applicable, in good faith, and (c) Agent is satisfied that, while any such protest is pending, there will be no impairment of the enforceability, validity, or priority of any of Agent's Liens.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Indebtedness (other than the Obligations, but including Capitalized Lease Obligations), incurred after the Closing Date and at the time of, or within 20 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof, in an aggregate principal amount outstanding at any one time not in excess of (a) $200,000 during the 2012 fiscal year of Parent, (b) $1,200,000 during the 2013 fiscal year of Parent, (c) $2,300,000 during the 2014 fiscal year of Parent, (d) $3,500,000 during the 2015 fiscal year of Parent, and (d) $4,800,000 during the 2016 fiscal year of Parent.

"Person" means natural persons, corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, and governments and agencies and political subdivisions thereof.

"Platform" has the meaning specified therefor in Section 17.9(c) of the Agreement.

"Projections" means Parent's forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, all prepared on a basis consistent with Parent's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

"Pro Rata Share" means, as of any date of determination:

(a) with respect to a Lender's obligation to make all or a portion of the Revolving Loans, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the Revolving Loans, and with respect to all other computations and other matters related to the Revolver Commitments or the Revolving Loans, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender by (ii) the aggregate Revolving Loan Exposure of all Lenders,

(b) with respect to a Lender's obligation to participate in the Letters of Credit, with respect to such Lender's obligation to reimburse Issuing Bank, and with respect to such Lender's right to receive payments of Letter of Credit Fees, and with respect to all other computations and other matters related to the Letters of Credit, the percentage obtained by dividing (i) the Revolving Loan Exposure of such Lender by (ii) the aggregate Revolving Loan Exposure of all Lenders; provided, that if all of the Revolving Loans have been repaid in full and all Revolver Commitments have been terminated, but Letters of Credit remain outstanding, Pro Rata Share under this clause shall be determined as if the Revolver Commitments had not been terminated and based upon the Revolver Commitments as they existed immediately prior to their termination, and

(c) with respect to a Lender's obligation to make all or a portion of the Term Loan A, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the Term Loan A, and with respect to all other computations and other matters related to the Term Loan A Commitments or the Term Loan A, the percentage obtained by dividing (i) the Term Loan A Exposure of such Lender by (ii) the aggregate Term Loan A Exposure of all Lenders,

(d) with respect to a Lender's obligation to make all or a portion of the Term Loan B, with respect to such Lender's right to receive payments of interest, fees, and principal with respect to the Term Loan B, and with respect to all other computations and other matters related to the Term Loan B Commitments or the Term Loan B, the percentage obtained by dividing (i) the Term Loan B Exposure of such Lender by (ii) the aggregate Term Loan B Exposure of all Lenders, and

(e) with respect to all other matters and for all other matters as to a particular Lender (including the indemnification obligations arising under Section 15.7 of the Agreement), the percentage obtained by dividing (i) the sum of the Term Loan A Exposure of such Lender plus the Term Loan B Exposure of such Lender plus the Revolving Loan Exposure of such Lender by (ii) the sum of the aggregate Term Loan A Exposure of all Lenders plus the aggregate Term Loan B Exposure of all Lenders plus the aggregate Revolving Loan Exposure of all Lenders, in any such case as the applicable percentage may be adjusted by assignments permitted pursuant to Section 13.1; provided, that if all of the Loans have been repaid in full, all Letters of Credit have been made the subject of Letter of Credit Collateralization, and all Commitments have been terminated, Pro Rata Share under this clause shall be determined as if the Revolving Loan Exposures, the Term Loan A Exposures, and the Term Loan B Exposures had not been repaid, collateralized, or terminated and shall be based upon the Revolving Loan Exposures, the Term Loan A Exposures, and the Term Loan B Exposures as they existed immediately prior to their repayment, collateralization, or termination.

"Protective Advances" has the meaning specified therefor in Section 2.3(d)(i) of the Agreement.

"Public Health Laws" means all applicable laws, regulations and other requirements relating to the procurement, development, manufacture, production, analysis, distribution, dispensing, importation, exportation, use, handling, quality, sale, or promotion of any drug, medical device, food, dietary supplement, or other product subject to regulation under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. §§ 301 et seq.) or the Canadian Food and Drug Act (R.S.C. 1985, c. F-27, as amended) and the regulations issued thereunder, and similar state or provincial laws, controlled substances laws, pharmacy laws, or consumer product safety laws, each as applicable and in effect from time to time.

"Public Lender" has the meaning specified therefor in Section 17.9(c) of the Agreement.

"Purchase Price" means, with respect to any Acquisition, an amount equal to the aggregate consideration, whether cash, property or securities (including the fair market value of any Equity Interests of Parent issued in connection with such Acquisition and including the maximum amount of Earn-Outs and any seller notes), paid or delivered by Parent or one of its Subsidiaries in connection with such Acquisition (whether paid at the closing thereof or payable thereafter and whether fixed or contingent), but excluding therefrom (a) any cash of the seller and its Affiliates used to fund any portion of such consideration and (b) any cash or Cash Equivalents acquired in connection with such Acquisition.

"Qualified Cash" means, as of any date of determination, the amount of unrestricted cash and Cash Equivalents of Parent and its Subsidiaries that is in Deposit Accounts or in Securities Accounts, or any combination thereof, and which such Deposit Account or Securities Account is the subject of a Control Agreement and is maintained by a branch office of the bank or securities intermediary located within the United States; provided, however, that until the Charter Amendment Date has occurred, cash and Cash Equivalents of Parent shall not constitute Qualified Cash.

"Qualified Equity Interest" means and refers to any Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that is not a Disqualified Equity Interest.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Parent or one of its Subsidiaries and the improvements thereto.

"Real Property Collateral" means (a) the Real Property identified on Schedule R-1 to the Agreement and (b) any Real Property hereafter acquired by Parent or one of its Subsidiaries with a fair market value in excess of $500,000.

"Receivable Reserves" means, as of any date of determination, (i) those reserves that Agent deems necessary or appropriate, in its Permitted Discretion and subject to Section 2.1(c), to establish and maintain (including reserves for rebates, discounts, warranty claims, and returns) with respect to the Eligible Accounts or the Maximum Revolver Amount and (ii) reserves equal to the sum of (1) the amount of retroactive settlements estimated to be due and owing to a Governmental Authority and (2) without duplication, 100% of those amounts for which payment plans have been established with the appropriate Governmental Authority.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Reference Period" has the meaning set forth in the definition of EBITDA.

"Refinancing Indebtedness" means refinancings, renewals, or extensions of Indebtedness so long as:

(a) such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto,

(b) such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity (measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions that, taken as a whole, are or could reasonably be expected to be materially adverse to the interests of the Lenders,

(c) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that are at least as favorable to the Lender Group as those that were applicable to the refinanced, renewed, or extended Indebtedness, and

(d) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended.

"Registrations" has the meaning specified therefor in Section 4.30 of the Agreement.

"Register" has the meaning set forth in Section 13.1(h) of the Agreement.

"Registered Loan" has the meaning set forth in Section 13.1(h) of the Agreement.

"Related Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a release or threatened release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials required by Environmental Laws.

"Replacement Lender" has the meaning specified therefor in Section 2.13(b) of the Agreement.

"Report" has the meaning specified therefor in Section 15.16 of the Agreement.

"Required Lenders" means Required Senior Lenders plus Required Junior Lenders.

"Required Revolving Lenders", means, at any time, Lenders having or holding more than 50% of the sum of (a) the aggregate Revolving Loan Exposure of all Lenders and (b) the aggregate Letter of Credit Exposure of all Lenders; provided, (i) that if all of the Revolving Loans have been repaid in full

and all Revolver Commitments have been terminated, but Letters of Credit remain outstanding, Required Revolving Lenders shall be determined as if the Revolver Commitments had not been terminated and based upon the Revolver Commitments as they existed immediately prior to their termination and (ii) that the Revolving Loan Exposure of any Defaulting Lender shall be disregarded in the determination of the Required Revolving Lenders.

"Required Senior Lenders" means, at any time, Lenders whose Senior Pro Rata Shares aggregate over 50%; provided, that the Revolving Loan Exposure and Term Loan A Exposure of any Defaulting Lender shall be disregarded in the determination of the Required Senior Lenders.

"Required Term Loan A Lenders", Lenders having or holding more than 50% of the sum of the aggregate Term Loan A Exposure of all Lenders; provided, that the Term Loan A Exposure of any Defaulting Lender shall be disregarded in the determination of the Required Term Loan A Lenders.

"Required Junior Lenders" means, at any time, Lenders whose Term Loan B Pro Rata Shares aggregate over 50%; provided, that the Term Loan B Exposure of any Defaulting Lender shall be disregarded in the determination of the Required Junior Lenders.

"Required Prepayment Date" has the meaning specified therefor in Section 2.4(f)(iii).

"Reserves" means, as of any date of determination, those reserves (other than Receivable Reserves, Bank Product Reserves, and Inventory Reserves) that Agent deems necessary or appropriate, in its Permitted Discretion and subject to Section 2.1(c), to establish and maintain (including reserves with respect to (a) sums that Parent or its Subsidiaries are required to pay under any Section of the Agreement or any other Loan Document (such as taxes, assessments, insurance premiums, or, in the case of leased assets, rents or other amounts payable under such leases) and has failed to pay, and (b) amounts owing by Parent or its Subsidiaries to any Person to the extent secured by a Lien on, or trust over, any of the Collateral (other than a Permitted Lien), which Lien or trust, in the Permitted Discretion of Agent likely would have a priority superior to Agent's Liens (such as Liens or trusts in favor of landlords, warehousemen, carriers, mechanics, materialmen, laborers, or suppliers, or Liens or trusts for ad valorem, excise, sales, or other taxes where given priority under applicable law) in and to such item of the Collateral) with respect to the Borrowing Base or the Maximum Revolver Amount.

"Restricted Payment" means, without duplication, to (a) declare or pay any dividend or make any other payment or distribution, directly or indirectly, on account of Equity Interests issued by any Loan Party (including any payment in connection with any merger or consolidation) or to the direct or indirect holders of Equity Interests issued by any Loan Party in their capacity as such (other than dividends or distributions payable (i) in Qualified Equity Interests issued by Parent or (ii) to a Borrower), (b) purchase, redeem, make any sinking fund or similar payment, or otherwise acquire or retire for value (including in connection with any merger or consolidation involving any Loan Party) any Equity Interests issued by any Loan Party, (c) make any payment to retire, or to obtain the surrender of, any outstanding warrants, options, or other rights to acquire Equity Interests of any Loan Party now or hereafter outstanding, or make any payment, distribution, or contribution to any CFC or entity owned in whole or in part by a CFC, or (d) make, or cause or suffer to permit Parent or any of its Subsidiaries to make, any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness.

"Revolver Base Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Revolver Commitment" means, with respect to each Revolving Lender, its Revolver Commitment, and, with respect to all Revolving Lenders, their Revolver Commitments, in each case as such Dollar amounts are set forth beside such Revolving Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance pursuant to which such Revolving Lender became a Revolving Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of the Agreement.

"Revolver LIBOR Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Revolver Usage" means, as of any date of determination, the sum of (a) the amount of outstanding Revolving Loans (inclusive of Swing Loans and Protective Advances), *plus* (b) the amount of the Letter of Credit Usage.

"Revolving Lender" means a Lender that has a Revolving Loan Commitment or that has an outstanding Revolving Loan.

"Revolving Loan Exposure" means, with respect to any Revolving Lender, as of any date of determination (a) prior to the termination of the Revolver Commitments, the amount of such Lender's Revolver Commitment, and (b) after the termination of the Revolver Commitments, the aggregate outstanding principal amount of the Revolving Loans of such Lender.

"Revolving Loans" has the meaning specified therefor in Section 2.1(a) of the Agreement.

"Sanctioned Entity" means (a) a country or a government of a country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a country, in each case, that is subject to a country sanctions program administered and enforced by OFAC.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals maintained by OFAC.

"S&P" has the meaning specified therefor in the definition of Cash Equivalents.

"SEC" means the United States Securities and Exchange Commission and any successor thereto.

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Senior Pro Rata Share" means, with respect to any Term Loan A Lender or any Revolving Lender, the percentage obtained by dividing (i) the sum of the Revolving Loan Exposure of such Lender plus the Term Loan A Exposure of such Lender, by (ii) the aggregate Revolving Loan Exposure of all Lenders plus the aggregate Term Loan A Exposure of all Lenders; provided, that if all of the Revolving Loans have been repaid in full and Letters of Credit remain outstanding, Senior Pro Rata Share under this clause shall be determined as if the Revolver Commitments had not been terminated or reduced to zero and based upon the Revolver Commitments as they existed immediately prior to their termination or reduction to zero.

"Settlement" has the meaning specified therefor in Section 2.3(e)(i) of the Agreement.

"Settlement Date" has the meaning specified therefor in Section 2.3(e)(i) of the Agreement.

"Solvent" means, with respect to any Person as of any date of determination, that (a) at fair valuations, the sum of such Person's debts (including contingent liabilities) is less than all of such Person's assets, (b) such Person is not engaged or about to engage in a business or transaction for which the remaining assets of such Person are unreasonably small in relation to the business or transaction or for which the property remaining with such Person is an unreasonably small capital, and (c) such Person has not incurred and does not intend to incur, or reasonably believe that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), and (d) such Person is "solvent" or not "insolvent", as applicable within the meaning given those terms and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Standard Letter of Credit Practice" means, for Issuing Bank, any domestic or foreign law or letter of credit practices applicable in the city in which Issuing Bank issued the applicable Letter of Credit or, for its branch or correspondent, such laws and practices applicable in the city in which it has advised, confirmed or negotiated such Letter of Credit, as the case may be, in each case, (a) which letter of credit practices are of banks that regularly issue letters of credit in the particular city, and (b) which laws or letter of credit practices are required or permitted under ISP or UCP, as chosen in the applicable Letter of Credit.

"Support Agreement" means a voting agreement, dated as of even date with the Agreement, executed and delivered by certain shareholders of Parent, Parent, and Agent, the form and substance of which is reasonably satisfactory to Agent.

"Subject Holder" has the meaning specified therefor in Section 2.4(e)(v) of the Agreement.

"Subordinated Indebtedness" means any unsecured Indebtedness of Parent or its Subsidiaries incurred from time to time that is subordinated in right of payment to the Obligations and (a) that is only guaranteed by the Guarantors, (b) that is not subject to scheduled amortization, redemption, sinking fund or similar payment and does not have a final maturity, in each case, on or before the date that is six months after the Maturity Date, (c) that does not include any financial covenants or any covenant or agreement that is more restrictive or onerous on any Loan Party in any material respect than any comparable covenant in the Agreement and is otherwise on terms and conditions reasonably acceptable to Agent, (d) shall be limited to cross-acceleration to designated "senior debt" (including the Obligations"), and (e) the terms and conditions of the subordination are reasonably acceptable to Agent.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the Board of Directors of such corporation, partnership, limited liability company, or other entity.

"Swing Lender" means Wells Fargo or any other Lender that, at the request of Borrowers and with the consent of Agent agrees, in such Lender's sole discretion, to become the Swing Lender under Section 2.3(b) of the Agreement.

"Swing Loan" has the meaning specified therefor in Section 2.3(b) of the Agreement.

"Swing Loan Exposure" means, as of any date of determination with respect to any Lender, such Lender's Pro Rata Share of the Swing Loans on such date.

"Syndication Agent" has the meaning set forth in the preamble to the Agreement.

"Taxes" means any taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein, and all interest, penalties or similar liabilities with respect thereto.

"Tax Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Term B Loan Account" has the meaning set forth in Section 2.9(b).

"Term Base Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Term LIBOR Rate Margin" has the meaning set forth in the definition of Applicable Margin.

"Term Loan A" has the meaning specified therefor in Section 2.2(a) of the Agreement.

"Term Loan A Amount" means $12,000,000.

"Term Loan A Commitment" means, with respect to each Lender, its Term Loan A Commitment, and, with respect to all Lenders, their Term Loan A Commitments, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of the Agreement.

"Term Loan A Exposure" means, with respect to any Term Loan A Lender, as of any date of determination (a) prior to the funding of the Term Loan A, the amount of such Lender's Term Loan A Commitment, and (b) after the funding of the Term Loan A, the outstanding principal amount of the Term Loan A held by such Lender.

"Term Loan A Lender" means a Lender that has a Term Loan A Commitment or that has a portion of the Term Loan A.

"Term Loan A Limiter" means, as of any date of determination, an amount equal to result of (a) the product of (i) 70% multiplied by, (ii) the Net Recovery Percentage identified in the most recent appraisal ordered and obtained by Agent for Inventory consisting of medical devices that are infusion pumps that are held for lease or rent multiplied by, (iii) the value (calculated at the lower of cost or market on a basis consistent with Borrowers' historical accounting practices) of Eligible Fixed Assets (such determination may be made as to different categories of Eligible Fixed Assets based upon the Net Recovery Percentage applicable to such categories) at such time, minus (b) the sum of (i) the aggregate

amount of Capital Lease Obligations at such time plus (ii) until such time as Agent shall have received the items required by Schedule 3.6(g)(i) or (ii), $80,874. For the avoidance of doubt, the appraisal methodology for any appraisal of Fixed Assets utilized for purposes of calculating the Term Loan A Limiter will account for consignment and rental revenues.

"Term Loan B" has the meaning specified therefor in Section 2.2(b) of the Agreement.

"Term Loan B Amount" means $14,500,000.

"Term Loan B Commitment" means, with respect to each Lender, its Term Loan B Commitment, and, with respect to all Lenders, their Term Loan B Commitments, in each case as such Dollar amounts are set forth beside such Lender's name under the applicable heading on Schedule C-1 to the Agreement or in the Assignment and Acceptance pursuant to which such Lender became a Lender under the Agreement, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of Section 13.1 of the Agreement.

"Term Loan B Exposure" means, with respect to any Term Loan B Lender, as of any date of determination (a) prior to the funding of the Term Loan B, the amount of such Lender's Term Loan B Commitment, and (b) after the funding of the Term Loan B, the outstanding principal amount of the Term Loan B held by such Lender.

"Term Loan B Lender" means a Lender that has a Term Loan B Commitment or that has a portion of the Term Loan B.

"Term Loan B Pro Rata Share" means with respect to any Term Loan B Lender, the percentage obtained by dividing (i) the Term Loan B Exposure of such Lender by (ii) the aggregate Term Loan B Exposure of all Lenders.

"Term Loans" has the meaning specified therefor in Section 2.2 of the Agreement.

"Third Party Payor" means (i) a commercial medical insurance company, health maintenance organization, professional provider organization or other third party payor that reimburses providers for Medical Services provided to individual patients, (ii) a nonprofit medical insurance company (such as the Blue Cross, Blue Shield entities), and (iii) a Government Account Debtor making payments under a Government Reimbursement Program.

"Third Party Payor Arrangement" shall mean a written agreement or arrangement with a Third Party Payor pursuant to which the Third Party Payor pays all or a portion of the charges of any Loan Party or its Subsidiaries for providing Medical Services.

"Trademark Security Agreement" has the meaning specified therefor in the Guaranty and Security Agreement.

"TRICARE" means, collectively, the program of medical benefits covering former and active members of the uniformed services and certain of their dependents, financed and administered by the United States Department of Defense, Health and Human Services and Transportation, and all laws, rules, regulations, manuals, orders, guidelines or requirements (whether or not having the force of law) pertaining to such program, in each case as the same may be amended, supplemented or otherwise modified from time to time.

"TTM EBITDA" means, as of any date of determination, EBITDA of Parent determined on a consolidated basis in accordance with GAAP, for the 12 month period most recently ended.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

"United States" means the United States of America.

"Unused Line Fee" has the meaning specified therefor in Section 2.10(b) of the Agreement.

"Voidable Transfer" has the meaning specified therefor in Section 17.8 of the Agreement.

"Waiveable Mandatory Prepayment" has the meaning specified therefor in Section 2.4(f)(iii).

"Wells Fargo" means Wells Fargo Bank, National Association, a national banking association.

Schedule 3.1

The obligation of each Lender to make its initial extension of credit provided for in the Agreement is subject to the fulfillment, to the satisfaction of each Lender (the making of such initial extension of credit by any Lender being conclusively deemed to be its satisfaction or waiver of the following), of each of the following conditions precedent:

(a) the Closing Date shall occur on or before December 4, 2012;

(b) Agent shall have received a letter duly executed by each Loan Party authorizing Agent to file appropriate financing statements in such office or offices as may be necessary or, in the opinion of Agent, desirable to perfect the security interests to be created by the Loan Documents;

(c) Agent shall have received evidence that appropriate financing statements have been duly filed in such office or offices as may be necessary or, in the opinion of Agent, desirable to perfect the Agent's Liens in and to the Collateral, and Agent shall have received searches reflecting the filing of all such financing statements;

(d) Agent shall have received each of the following documents, in form and substance satisfactory to Agent, duly executed and delivered, and each such document shall be in full force and effect:

(i) the Agreement,

(ii) a Borrowing Base Certificate, duly executed and demonstrating that, after giving effect to the making of the Revolving Loans on the Closing Date and the issuance of the Letters of Credit requested to be issued on the Closing Date, Borrowers will have Excess Availability of not less than $3,000,000,

(iii) the Fee Letter,

(iv) the Flow of Funds Agreement,

(v) the Guaranty and Security Agreement, together with stock certificates (or equivalent), if any, and undated stock powers/transfer forms executed in blank with respect to any Equity Interests pledged thereunder,

(vi) the Intercompany Subordination Agreement,

(vii) the Trademark Security Agreement,

(viii) a letter, in form and substance satisfactory to Agent, from Bank of America, N.A., in its capacity as administrative agent under the Existing Credit Facility ("Existing Agent") to Agent respecting the amount necessary to repay in full all of the obligations of Parent and its Subsidiaries owing under the Existing Credit Facility and obtain a release of all of the Liens existing in favor of Existing Agent in and to the assets of Parent and its Subsidiaries, together with termination statements and other documentation evidencing the termination by Existing Agent of its Liens in and to the properties and assets of Parent and its Subsidiaries, and

(ix) the Support Agreement;

(e) Agent shall have received a certificate from the Secretary of each Loan Party (i) attesting to the resolutions of such Loan Party's board of directors authorizing its execution, delivery, and performance of the Loan Documents to which it is a party and, with respect to Parent, approving the proposal to amend Parent's Certificate of Incorporation to delete the Provision (as defined in the Support Agreement) and resolving to solicit approval of such amendment for approval by the shareholders of Parent at Parent's next shareholders' meeting, (ii) authorizing specific officers of such Loan Party to execute the same, and (iii) attesting to the incumbency and signatures of such specific officers of such Loan Party;

(f) Agent shall have received copies of each Loan Party's Governing Documents, as amended, modified, or supplemented to the Closing Date, certified by the Secretary of such Loan Party;

(g) Agent shall have received an amendment to the Limited Liability Company Agreement of IFC LLC, in form and substance satisfactory to Agent, duly executed, in full force and effect;

(h) Agent shall have received an amendment to the Certificate of Incorporation of First Biomedical, Inc., in form and substance satisfactory to Agent, duly executed, in full force and effect, and evidence that it has been submitted to the Secretary of State of Kansas for recordation;

(i) Agent shall have received a certificate of status with respect to each Loan Party, dated within 10 days of the Closing Date, such certificate to be issued by the appropriate officer of the jurisdiction of organization of such Loan Party, which certificate shall indicate that such Loan Party is in good standing in such jurisdiction;

(j) Agent shall have received certificates of status with respect to each Loan Party, each dated within 30 days of the Closing Date, such certificates to be issued by the appropriate officer of the jurisdictions (other than the jurisdiction of organization of such Loan Party) in which its failure to be duly qualified or licensed would constitute a Material Adverse Effect, which certificates shall indicate that such Loan Party is in good standing in such jurisdictions;

(k) Agent shall have received a certificate of insurance, together with the endorsements thereto, as are required by Section 5.6 of the Agreement, the form and substance of which shall be satisfactory to Agent;

(l) Agent shall have received Collateral Access Agreements with respect to the following locations: (i) 882 Jan Mar Ct. Olathe, Kansas 66061; (ii) 878 Jan Mar Ct. Olathe, Kansas 66061; (iii) 31700 Research Park Drive, Madison Heights, Michigan 48071; and (iv) [**], Olathe, Kansas 66061;

(m) Agent shall have received opinions of the Loan Parties' counsel in form and substance satisfactory to Agent;

(n) Agent shall have received evidence satisfactory to Agent that the Controlled Account Banks have been instructed to forward, by daily sweeps, all amounts in the Governmental Receivables Lockbox Account and the Non-Governmental Receivables Lockbox Account to the Concentration Account, as required by Section 7(k)(viii) of the Guaranty and Security Agreement;

(o) Borrowers shall have Excess Availability of not less than $3,000,000 after giving effect to the initial extensions of credit under the Agreement and the payment of all fees and expenses required to be paid by Borrowers on the Closing Date under the Agreement or the other Loan Documents and Agent shall have received a certificate from the chief financial officer of Parent certifying thereto;

(p) Agent and each Lender shall have completed its business, legal, and collateral due diligence, including, without limitation, (i) a collateral audit and review of Parent's and its Subsidiaries' books and records and verification of Borrower's representations and warranties to Lender Group, (ii) an inspection of each of the locations where Parent's and its Subsidiaries' Inventory is located, (iii) a review of Parent's and its Subsidiaries' material agreements, and (iv) review of lien search results with respect to each Loan Party, in each case, the results of which shall be satisfactory to Agent and each Lender;

(q) Agent shall have received an appraisal of the Net Recovery Percentage applicable to Borrowers' Inventory and Eligible Fixed Assets, the results of which shall be satisfactory to Agent;

(r) Agent shall have received (i) a field examination report with respect to Parent and its Subsidiaries (the "Field Exam") and (ii) Agent shall have received a report from its consultant, Breslin, Young & Slaughter, LLC, relative to its analysis of the Field Exam, in each case, the results of which shall be satisfactory to Agent;

(s) Agent shall have completed (i) Patriot Act searches, OFAC/PEP searches and customary individual background checks for each Loan Party, and (ii) OFAC/PEP searches and customary individual background searches for each Loan Party's senior management and key principals, the results of which shall be satisfactory to Agent;

(t) Agent shall have received a set of Projections of Parent for the 3 year period following the Closing Date (on a year by year basis, and for the 1 year period following the Closing Date, on a month by month basis), in form and substance (including as to scope and underlying assumptions) satisfactory to Agent;

(u) Borrowers shall have paid all Lender Group Expenses incurred in connection with the transactions evidenced by the Agreement and the other Loan Documents;

(v) Agent shall have received evidence satisfactory to Agent that the principal amount of the Term Loan A made on the Closing Date does not exceed the Term Loan A Limiter in effect on the Closing Date, including a certificate from the chief financial officer of Administrative Borrower certifying thereto and to the calculation of the Term Loan A Limiter on the Closing Date;

(w) Parent and each of its Subsidiaries shall have received all licenses, approvals or evidence of other actions required by any Governmental Authority in connection with the execution and delivery by Parent or its Subsidiaries of the Loan Documents or with the consummation of the transactions contemplated thereby and Agent shall have received a certificate from Parent certifying as to the satisfaction of this condition;

(x) [intentionally omitted];

(y) Agent shall have received a certificate executed by an authorized officer of each Borrower certifying to, among other things, (i) the truthfulness and correctness of the representations and warranties set forth in Section 3.2(a) of the Agreement, (ii) no Defaults or Events of Default existing as required by Section 3.2(b) of the Agreement, and (iii) the satisfaction of all conditions precedent set forth in Section 3.2 of the Agreement;

(z) Agent shall have received evidence satisfactory to Agent, including a contribution agreement between Parent and Holdings, that Parent has contributed all of the Stock of each Borrower to Holdings; and

(aa) all other documents and legal matters in connection with the transactions contemplated by the Agreement shall have been delivered, executed, or recorded and shall be in form and substance satisfactory to Agent.

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Schedule 3.6

(a) Agent shall have received satisfactory evidence that Parent has used its best efforts to recommend to, and obtain the approval of, its stockholders (whether by vote of the stockholders at a stockholders meeting or by a written consent of the stockholders) for an amendment to Parent's Certificate of Incorporation to eliminate the "Provision" (as defined in the Support Agreement) at Parent's next stockholders' meeting following the Closing Date.

(b) On or prior to the date that is 30 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), either (i) Agent shall have received duly executed and delivered Controlled Account Agreements with respect to the Concentration Accounts (as defined in Section 7(k)(ii) of the Guaranty and Security Agreement) listed in the chart below of the Loan Parties maintained at the Controlled Account Banks listed below, in each case, in form and substance reasonably satisfactory to Agent and in compliance with the terms set forth in Section 7(k)(ii) of the Guaranty and Security Agreement, or (ii) the Loan Parties shall have (A) established their primary Concentration Accounts with Wells Fargo or another depository institution satisfactory to Agent, (B) delivered to Agent duly executed and delivered Controlled Account Agreements with respect to the Concentration Accounts of Parent and its Subsidiaries, in form and substance reasonably satisfactory to Agent, and providing for the terms set forth in Section 7(k)(ii) of the Guaranty and Security Agreement and (C) delivered to Agent an updated Schedule 10 to the Guaranty and Security Agreement (which such Schedule, upon delivery to, and approval of same, by Agent, shall without any further action by any party thereto, update and replace Schedule 10 to the Guaranty and Security Agreement, in each case, in form and substance reasonably satisfactory to Agent, which accounts shall thereafter constitute "Concentration Accounts" for all purpose under the Loan Documents.

Controlled Account Bank	Account Number
Bank of America	[**]

(c) On or prior to the date that is 30 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), either (i) Agent shall have received duly executed and delivered Government Receivables Lockbox Account Agreements with respect to the Governmental Receivables Lockbox Accounts listed in the chart below of the Loan Parties maintained at the Controlled Account Banks listed below, in each case, in form and substance reasonably satisfactory to Agent and in compliance with the terms set forth in Section 7(k)(iii) of the Guaranty and Security Agreement, or (ii) the Loan Parties shall have (A) established their primary Government Receivables Lockbox Accounts and Government Receivables Lockbox (as defined in the Guaranty and Security Agreement) with Wells Fargo or another depository institution satisfactory to Agent, (B) delivered to Agent duly executed and delivered Government Receivables Lockbox Account Agreements with respect to the Government Receivables Lockbox Accounts of Parent and its Subsidiaries, in form and substance reasonably satisfactory to Agent, and providing for the terms set forth in Section 7(k)(iii) of the Guaranty and Security Agreement and (C) delivered to Agent an updated Schedule 10 to the Guaranty and Security Agreement (which such Schedule, upon delivery to, and approval of same, by Agent, shall without any further action by any party thereto, update and replace Schedule 10 to the Guaranty and Security Agreement, in each case, in form and substance reasonably satisfactory to Agent.

Controlled Account Bank	Account Number
Bank of America	[**]

(d) On or prior to the date that is 30 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), either (i) Agent shall have received duly executed and delivered Controlled Account Agreements with respect to the Non-Governmental Receivables Lockbox Accounts listed in the chart below of the Loan Parties maintained at the Controlled Account Banks listed below, in each case, in form and substance reasonably satisfactory to Agent and in compliance with the terms set forth in Section 7(k)(iv) of the Guaranty and Security Agreement, or (ii) the Loan Parties shall have (A) established their primary Non-Government Receivables Lockbox Accounts and Non-Government Receivables Lockbox (as defined in the Guaranty and Security Agreement) with Wells Fargo or another depository institution satisfactory to Agent, (B) delivered to Agent duly executed and delivered Controlled Account Agreements with respect to the Non-Government Receivables Lockbox Accounts of Parent and its Subsidiaries, in form and substance reasonably satisfactory to Agent, and providing for the terms set forth in Section 7(k)(iv) of the Guaranty and Security Agreement and (C) delivered to Agent an updated Schedule 10 to the Guaranty and Security Agreement (which such Schedule, upon delivery to, and approval of same, by Agent, shall without any further action by any party thereto, update and replace Schedule 10 to the Guaranty and Security Agreement, in each case, in form and substance reasonably satisfactory to Agent.

Controlled Account Bank	Account Number
Bank of America	[**]
Bank of America	[**]
Bank of America	[**]
Bank of America	[**]
Bank of America	[**]
Bank of America	[**]
Bank of America	[**]
Bank of America	[**]

(e) On or prior to the date that is 30 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), either (i) Agent shall have received duly executed and delivered Control Agreements with respect to the Deposit Accounts and Securities Accounts listed in the chart below of the Loan Parties maintained at the financial institutions listed below, in each case, in form and substance reasonably satisfactory to Agent and in compliance with the terms set forth in Section 7(k)(vii) of the Guaranty and Security Agreement or (ii) the Loan Parties shall have (A) established their primary depository and treasury management relationships with Wells Fargo or another depository institution satisfactory to Agent, (B) delivered to Agent duly executed and delivered Control Agreements (which may include Controlled Account Agreements) with respect to the Deposit Accounts and Securities Accounts of Parent and its Subsidiaries, in form and substance reasonably satisfactory to Agent, and providing for the terms set forth in Section 7(k)(vii) of the Guaranty and Security Agreement and (C) delivered to Agent an updated (A) Schedule 9 to the Guaranty and Security Agreement and (B) Schedule D-1 to the Credit Agreement (which such Schedules, upon delivery to, and approval of same, by Agent, shall without any further action by any party thereto, update and replace (x) Schedule 9 to the Guaranty and Security Agreement and (y) Schedule D-1 to the Credit Agreement), in each case, in form and substance reasonably satisfactory to Agent.

Financial Institution	Deposit Account Number
Bank of America	[**]
Bank of America	[**]

(f) On or prior to the date that is 15 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), Agent shall have received satisfactory evidence that the Loan Parties have closed the account maintained by IFC LLC with Bank of America identified as account number [**].

(g) the Loan Parties shall use commercially reasonable efforts to deliver to Agent, on or prior to the date that is 15 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), (i) a filed UCC-3 termination with respect to the UCC-1 financing statement (file number 2004095410-2) filed against Star Infusion & Compression Therapies LLC by JPMorgan Chase Bank, NA, in form and substance satisfactory to Agent, or other consent or release documentation from JPMorgan Chase Bank, NA relative to the release of the lien evidenced by such financing statement, in form and substance satisfactory to Agent and (ii) evidence of the Loan Parties' authorization from JPMorgan Chase Bank, NA to file such UCC-3 termination in form and substance satisfactory to Agent in its sole discretion.

(h) The Loan Parties shall use commercially reasonable efforts to deliver to Agent, on or prior to the date that is 30 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), a Collateral Access Agreement, duly executed and delivered by the parties thereto in form and substance reasonably satisfactory to Agent, for the following location: Unit 2-3, 75035 Timberlea Boulevard, City of Mississauage, Regional Municipality of Peel, Ontario, Canada.

(i) The Loan Parties shall use commercially reasonable efforts to deliver to Agent, on or prior to the date that is 30 days after the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), a Collateral Access Agreement, duly executed and delivered by the parties thereto in form and substance reasonably satisfactory to Agent, for the following location: 12015 Mora Drive, Santa Fe Springs, California 90670; provided that if the Loan Parties fail to deliver such Collateral Access Agreement, Agent is authorized, in Agent's sole discretion, to establish a reserve against the Borrowing Base and to maintain such reserve in place until Agent shall have received such Collateral Access Agreement.

(j) Borrowers shall use commercially reasonably efforts to refinance and replace the Closing Date Capital Lease Obligations with new Capital Lease Obligations on or prior to September 30, 2013 (or such later date as may be agreed to in writing by Agent in its sole discretion), provided that, with respect to any Closing Date Capital Leases Obligations that Borrowers fail to refinance and replace within such time period, Agent is authorized, in Agent's sole discretion, to establish and maintain a reserve against the Borrowing Base, until such time as all Closing Date Capital Lease Obligations shall be repaid or replaced, equal to, as of any date of determination, (A) the result of the number of infusion pumps subject to a Closing Date Capital Lease divided by the total number of infusion pumps that are Fixed Assets, multiplied by (B) the sum of the A/R Amount less any reserves established by the Agent pursuant to Section 2.1(c).

(k) Prior to entering into any new Capital Lease as lessee with respect to any Fixed Assets, each Loan Party shall use commercially reasonable efforts to obtain the agreement by the lessor to waive or subordinate in favor of Agent any and all interest such lessor might have in any of such Loan Party's ordinary course rental income or revenue generated by such Loan Party from such Fixed Assets.

(l) Within 3 Business Days (or such later date as may be agreed to in writing by Agent in its sole discretion) following the Closing Date, Borrowers shall deliver to Agent the amendment to the Certificate of Incorporation of First Biomedical, Inc. certified by Secretary of State of Kansas for recordation.

(m) On or prior to the date that is 3 Business Days (or such later date as may be agreed to in writing by Agent in its sole discretion) following the Closing Date, Borrowers shall deliver to Agent satisfactory evidence that Borrowers have paid all advisor fees required to be paid by Borrower pursuant to Section 2.8 of that certain Settlement Agreement, dated as of April 24, 2012, by and among Parent and certain of its investors.

(j) Within 10 days following the Closing Date (or such later date as may be agreed to in writing by Agent in its sole discretion), Agent shall have received (A) a letter, in form and substance satisfactory to Agent, from Banc of America Leasing & Capital, LLC, in its capacity as the lender in connection with (i) that certain Master Loan and Security Agreement dated June 27, 2011 with IFC relative to Master Loan and Security Agreement Number 22440-70000, (ii) that certain Master Lease Agreement dated April 20, 2011 with IFC relative to Master Lease Agreement Number 22440-90000, and (iii) each guaranty of Parent entered into with respect to each of the forgoing agreements, which letter specifies the amount necessary to repay in full all of the obligations of Parent and its Subsidiaries owing under the foregoing agreements and obtain a release of all of the Liens existing in favor of Banc of America Leasing & Capital, LLC, in and to the assets of Parent and its Subsidiaries, together with termination statements and other documentation evidencing the termination by Banc of America Leasing & Capital, LLC, of its Liens in and to the properties and assets of Parent and its Subsidiaries and (B) evidence that all liens and guarantees in connection therewith have been terminated and released.

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Schedule 4.1(b)

Capitalization of Loan Parties

Issuer	Class	Par Value	Authorized	Issued	Outstanding
COMMON SHARES:					
InfuSystem Holdings, Inc.	Class A	$ 0.01	200,000,000	21,980,806	21,783,116
InfuSystem Holdings USA, Inc.	N/A	$.0001	5,000	1,000	1,000
InfuSystem, Inc.	N/A	$ 0.01	100	100	100
First Biomedical, Inc.	Series A	$ 0.02	20,000	20,000	20,000
First Biomedical, Inc.	Series B	$ 0.02	80,000	80,000	80,000
PREFERRED SHARES:					
InfuSystem Holdings, Inc.	Preferred		1,000,000	0	0
InfuSystem Holdings USA, Inc.	Preferred		0	0	0
InfuSystem, Inc.	Preferred		0	0	0
First Biomedical, Inc.	Preferred		0	0	0
IFC LLC	Preferred		0	0	0

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Schedule 4.1(c)

Capitalization of Loan Parties' Subsidiaries

Issuer	Class	Par Value	Authorized	Issued	Outstanding	% Held by Holdings
COMMON SHARES:						
InfuSystem Holdings USA, Inc.	N/A	$.0001	5,000	1,000	1,000	100.0%
InfuSystem, Inc.	N/A	$ 0.01	100	100	100	100.0%
First Biomedical, Inc.	Series A	$ 0.02	20,000	20,000	20,000	100.0%
First Biomedical, Inc.	Series B	$ 0.02	80,000	80,000	80,000	100.0%
PREFERRED SHARES:						
InfuSystem Holdings USA, Inc.	Preferred		0	0	0	N/A
InfuSystem, Inc.	Preferred		0	0	0	N/A
First Biomedical, Inc.	Preferred		0	0	0	N/A
IFC LLC	Preferred		0	0	0	N/A

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Schedule 4.1(d)

Subscriptions, Options, Warrants, Calls

Issuer	Subscriptions Outstanding	Options Outstanding	Warrants Outstanding	Calls Outstanding
InfuSystem Holdings, Inc.	0	1,385,000	0	0
InfuSystem Holdings USA, Inc.	0	0	0	0
InfuSystem, Inc.	0	0	0	0
First Biomedical, Inc.	0	0	0	0
IFC LLC	0	0	0	0

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Schedule 4.6(b)

Litigation

[**]

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Schedule 4.11

Environmental Matters

None

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Schedule 4.14

Permitted Indebtedness

Borrower	Lender	Type	Schedule	Principal as of 11/30/12
InfuSystem Holdings , Inc.	[**]	Capital Lease	#0	[**]
InfuSystem, Inc.	[**]	Capital Lease	#4	[**]
InfuSystem, Inc.	[**]	Capital Lease	#5	[**]
InfuSystem, Inc.	[**]	Capital Lease	#6	[**]
InfuSystem, Inc.	[**]	Capital Lease	#7	[**]
InfuSystem, Inc.	[**]	Capital Lease	#8	[**]
InfuSystem, Inc.	[**]	Capital Lease	#9	[**]
InfuSystem, Inc.	[**]	Capital Lease	#10	[**]
InfuSystem, Inc.	[**]	Capital Lease	#11	[**]
InfuSystem, Inc.	[**]	Capital Lease	#12	[**]
InfuSystem, Inc.	[**]	Capital Lease	#13	[**]
InfuSystem, Inc.	[**]	Capital Lease	#14	[**]
InfuSystem, Inc.	[**]	Capital Lease	#15	[**]
InfuSystem, Inc.	[**]	Capital Lease	#16	[**]
InfuSystem, Inc.	[**]	Capital Lease	#17	[**]
InfuSystem, Inc.	[**]	Capital Lease	#18	[**]
InfuSystem, Inc.	[**]	Capital Lease	#19	[**]
InfuSystem, Inc.	[**]	Capital Lease	#20	[**]
InfuSystem, Inc.	[**]	Capital Lease	#21	[**]
InfuSystem, Inc.	[**]	Capital Lease	#22	[**]
InfuSystem, Inc.	[**]	Capital Lease	#23	[**]
InfuSystem, Inc.	[**]	Capital Lease	#24	[**]
InfuSystem, Inc.	[**]	Capital Lease	#25	[**]
InfuSystem, Inc.	[**]	Capital Lease	#26	[**]
InfuSystem, Inc.	[**]	Capital Lease	#27	[**]
InfuSystem, Inc.	[**]	Capital Lease	#28	[**]
InfuSystem, Inc.	[**]	Capital Lease	#29	[**]
InfuSystem, Inc.	[**]	Capital Lease	#30	[**]
InfuSystem, Inc.	[**]	Capital Lease	#31	[**]
InfuSystem, Inc.	[**]	Capital Lease	#32	[**]
InfuSystem, Inc.	[**]	Capital Lease	#33	[**]
InfuSystem, Inc.	[**]	Capital Lease	#34	[**]
InfuSystem, Inc.	[**]	Capital Lease	#35	[**]
InfuSystem, Inc.	[**]	Capital Lease	#36	[**]
InfuSystem, Inc.	[**]	Capital Lease	#37	[**]
InfuSystem, Inc.	[**]	Capital Lease	#38	[**]
InfuSystem, Inc.	[**]	Capital Lease	#39	[**]

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Schedule 4.24a

Location of Inventory (Other than Fixed Assets)

Tenant	Address	City	State	Zip
InfuSystem, Inc.	31700 Research Park Drive	Madison Heights	Michigan	48071
First Biomedical, Inc.	882 Jan Mar Ct.	Olathe	Kansas	66061
First Biomedical, Inc.	878 Jan Mar Ct.	Olathe	Kansas	66061
First Biomedical, Inc.	[**]	Olathe	Kansas	66062
First Biomedical, Inc.	12015 Mora Drive, Unit 6	Santa Fe Springs	California	90670

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Schedule 4.24(b)

Location of Fixed Assets

Listed on the excel spreadsheets named “TPP Fixed Assets Location 2012 11 28.xlsx” and “DP Pump Location 2012 11 27.xlsm” provided to Agent on 11/30/2012, and on file with Agent.

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Schedule 5.1

Deliver to Agent and each Lender each of the financial statements, reports, or other items set forth below at the following times, in form satisfactory to Agent:

As soon as available, but in any event within 30 days (45 days in the case of a month that is the end of one of Parent's fiscal quarters) after the end of each month during each of Parent's fiscal years,	(a) an unaudited consolidated and consolidating balance sheet, income statement, statement of cash flow, and statement of shareholder's equity covering Parent's and its Subsidiaries' operations from the beginning of the fiscal year to the end of such month and for such month and compared to (x) the same fiscal period and year-to-date period of the immediately preceding fiscal year and (y) the Projections for such fiscal period and year-to-date period, prepared on a basis consistent with prior practices and complete and correct in all material respects, together with a corresponding discussion and analysis of results from management and relevant updates regarding DMEPOS competitive bidding.
As soon as available, but in any event within 45 days after the end of each quarter during each of Parent's fiscal years,	(b) a Compliance Certificate along with the underlying covenant calculations, including the calculations to arrive at EBITDA to the extent applicable.
As soon as available, but in any event within 90 days after the end of each of Parent's fiscal years,	(c) consolidated and consolidating financial statements of Parent and its Subsidiaries for each such fiscal year, audited by independent certified public accountants reasonably acceptable to Agent and certified, without any qualifications (including any (A) "going concern" or like qualification or exception, (B) qualification or exception as to the scope of such audit, or (C) qualification which relates to the treatment or classification of any item and which, as a condition to the removal of such qualification, would require an adjustment to such item, the effect of which would be to cause any noncompliance with the provisions of Section 7 of the Agreement), by such accountants to have been prepared in accordance with GAAP (such audited financial statements to include a balance sheet, income statement, statement of cash flow, and statement of shareholder's equity, and, if prepared, such accountants' letter to management); (d) a Compliance Certificate along with the underlying covenant calculations, including the calculations to arrive at EBITDA to the extent applicable; and (e) a detailed calculation of Excess Cash Flow.
As soon as available, but in any event	(f) copies of Parent's Projections (including projected financial covenant levels), in form and substance (including as to scope and underlying assumptions)

within 30 days prior to the start of each of Parent's fiscal years,	satisfactory to Agent, in its Permitted Discretion, for the forthcoming 3 years, year by year, and for the forthcoming fiscal year, month by month, certified by the chief financial officer of Parent as being such officer's good faith estimate of the financial performance of Parent and its Subsidiaries during the period covered thereby.
If and when filed by Parent, promptly following such filing (but in any event within 5 Business Days of such filing),	(g) Form 10-Q quarterly reports, Form 10-K annual reports, and Form 8-K current reports; (h) any other filings made by Parent with the SEC; and (i) any other information that is provided by Parent to its shareholders generally.
Promptly, but in any event within 5 Business Days after any Loan Party has knowledge of any event or condition that constitutes a Material Adverse Effect or a Default or an Event of Default,	(j) notice of such event or condition and a statement of the curative action that the Loan Parties propose to take with respect thereto.
Promptly after the commencement or occurrence thereof, but in any event within 5 Business Days after the service of process with respect thereto on Parent or, if earlier, any of its Subsidiaries or any Loan party obtaining knowledge thereof,	(k) notice of all actions, suits, audits, or proceedings brought by or against Parent or any of its Subsidiaries by or before any Governmental Authority.
Promptly after the commencement or occurrence thereof, but in any event within 5 Business Days after any Loan Party obtains knowledge thereof,	(l) notice that any Loan Party or any Subsidiary of any Loan Party, or any owner, officer, manager, employee or Person with a "direct or indirect ownership interest" (as that phrase is defined in 42 C.F.R. §420.201) in any Loan Party or any Subsidiary of any Loan Party: (A) is subject to any investigations or audits (including cost reports or similar audits regarding the valuation of receivables payments) conducted by any federal, state or county Governmental Authority or its agents or designees, (B) has had a civil monetary penalty assessed pursuant to 42 U.S.C. §1320a-7a or is the subject of a proceeding seeking to assess such penalty; (C) has been excluded from participation in a Federal Health Care

Program (as that term is defined in 42 U.S.C. §1320a-7b) or is the subject of a proceeding seeking to assess such penalty; (D) has been convicted (as that term is defined in 42 C.F.R. §1001.2) of any of those offenses described in 42 U.S.C. §1320a-7b or 18 U.S.C. §§669, 1035, 1347, 1518 or is the subject of a proceeding seeking to assess such penalty; or (E) has been named in a U.S. Attorney complaint made or any other action taken pursuant to the False Claims Act under 31 U.S.C. §§3729-3731 or in any qui tam action brought pursuant to 31 U.S.C. §3729 et seq.;

(m) notice of (A) any material reduction to any rate for reimbursement under any Third Party Payor Arrangement, or (B) any material system charge master change that would affect Expected Net Value of Eligible Accounts, or (C) any change in any director of reimbursement or similar senior executive with respect to billing and collections personnel of any Loan Party;

(n) notice of (A) any claim to recover any alleged overpayments with respect to any Accounts in excess of $100,000, (B) any validation review, program integrity review or material reimbursement audits related to any Loan Party or any Subsidiary of any Loan Party in connection with any Third Party Payor Arrangement, or (C) the disclosure by any Loan Party or any Subsidiary to the Office of the Inspector General of the United States Department of Health and Human Services, or any Third Party Payor program (including to any intermediary, carrier or contractor of such program), of an actual or potential overpayment involving the submission of claims in an amount greater than $100,000;

(o) (i) notice of receipt by any Loan Party or any Subsidiary of any Loan Party of any notice or communication from an accrediting organization that it is (A) subject to or is required to file a plan of correction with respect to any accreditation survey, (B) in danger of losing its accreditation due to a failure to comply with a plan of correction, or (C) in danger of losing its status as, or has lost its designation as, an approved repair facility or (ii) any failure to maintain or renew, or any revocation of (A) the ISO 9001 certification of any Loan Party or (B) any Loan Party's status as an approved repair facility;

(p) notice of any written allegations of licensure violations or fraudulent acts or omissions involving any Loan Party or any Subsidiary of any Loan Party;

(q) notice of the pending or threatened imposition of any material fine or penalty by any Governmental Authority under any Health Care Law against any Loan Party or any Subsidiary of any Loan Party;

(r) notice of any pending or threatened revocation, suspension, termination, probation, restriction, limitation, denial, or non-renewal with respect to any material Health Care Permit or any Third Party Payor Arrangement or status as an approved repair facility, except for any such non-renewal at the election of a Loan Party or any Subsidiary of any Loan Party as would not, in the aggregate, have a Material Adverse Effect;

	(s) notice of any inspection or audit of any facility of any Loan Party or any Subsidiary of any Loan Party by any Governmental Authority along with (A) copies of any exit interviews or reports, (B) copies of any warning letters issued in connection with, related to, or as a result of, such inspections and (C) the responses of any Loan Party or Subsidiary to such warning letter or report;
	(t) notice of the occurrence of any reportable events as defined in any corporate integrity agreement, corporate compliance agreement or deferred prosecution agreement pursuant to which any Loan Party or any Subsidiary of any Loan Party has to make a submission to any Governmental Authority or other Person under the terms of such agreement; and
	(u) following each health care permit renewal, copies of material health care permits required in connection with the operation of such Loan Party's business.
Promptly, but in any event within 1 day after any receipt or delivery thereof;	(v) copies of all notices in connection with any default under any real property lease of any Borrower.
Upon the request of Agent,	(w) any other information reasonably requested relating to the financial condition of Parent or its Subsidiaries; and
	(x) an accurate, complete and current list of all Third Party Payor Arrangements with respect to the business of the Loan Parties.

Schedule 5.2

Deliver to Agent and each Lender each of the documents set forth below at the following times, in form satisfactory to Agent:

At any time that Excess Availability is less than or equal to $3,000,000, Weekly (no later than the close of business on the 5th Business Day thereafter),	(a) an executed Borrowing Base Certificate together with a reconciliation to most recent Borrowing Base Certificate, Borrowers' general ledger accounts, and month-end financial statements, with an estimated roll forward of Accounts for the interim month-to-date period and in the aggregate represents Borrowers' good faith estimates.
Monthly (no later than the 30th day of each month),	(b) an executed Borrowing Base Certificate together with a reconciliation to most recent Borrowing Base Certificate, Borrowers' general ledger accounts, and month-end financial statements; (c) a detailed aging by invoice date, by payor, of Borrowers' Accounts, together with a reconciliation to the most recent Borrowing Base Certificate, Borrowers' general ledger accounts, and month-end financial statements, and supporting documentation for any reconciling items noted (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting); (d) notice of all claims, offsets, or disputes asserted by Account Debtors with respect to Borrowers' and their Subsidiaries' Accounts; (e) a detailed calculation of those Accounts that are not eligible for the Borrowing Base, if Borrowers have not implemented electronic reporting; (f) a detailed (i) Inventory system/perpetual report together with a reconciliation to the most recent Borrowing Base Certificate, Borrowers' general ledger accounts (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting) and month-end financial statements and (ii) Eligible Fixed Asset system/perpetual report together with a reconciliation to the most recent Borrowing Base Certificate, Borrowers' general ledger accounts, and month-end financial statements (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting); (g) Inventory system/perpetual reports specifying the cost and the wholesale market value of Borrowers' and their Subsidiaries' Inventory, by category, with additional detail showing additions to and deletions therefrom (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting); (h) Eligible Fixed Asset system/perpetual reports specifying the cost and the wholesale market value of Borrowers' and their Subsidiaries' Eligible Fixed Assets, by category, with additional detail showing additions to and deletions therefrom (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting);

	(i) a detailed calculation of Inventory categories that are not eligible for the Borrowing Base, if Borrowers have not implemented electronic reporting;
	(j) a summary aging, by vendor, of Parent's and its Subsidiaries' accounts payable and any book overdraft (delivered electronically in an acceptable format, if Borrowers have implemented electronic reporting) and an aging, by vendor, of any held checks;
	(k) a detailed report regarding Parent's and its Subsidiaries' cash and Cash Equivalents, including an indication of which amounts constitute Qualified Cash;
	(l) a monthly Account roll-forward with supporting details supplied from sales journals, collection journals, credit registers and any other records, in a format acceptable to Agent in its discretion, tied to the beginning and ending account receivable balances of each Borrower's general ledger;
	(m) estimates of any Borrower's Accounts which a Government Authority has claimed rights of offsets, set-offs, deductions or counterclaims;
	(n) any action, suit, proceeding, dispute, set-off, deduction, defense or counterclaim that is asserted by any Account Debtor of any Borrower in an amount in excess of $100,000; and
	(o) a detailed report regarding the amount of Net Cash Proceeds from Fixed Assets Sales.
Quarterly (no later than the 30th day of each quarter),	(p) a reconciliation of Accounts, trade accounts payable, and Inventory of each Borrower's general ledger accounts to its monthly financial statements including any book reserves related to each category;
	(q) internally prepared cost report settlement estimates with respect to Government Reimbursement Programs, if adjusted from the prior month's value; and
	(r) a report regarding Borrowers' and their Subsidiaries' accrued, but unpaid, ad valorem taxes.
Upon request by Agent,	(s) copies of invoices together with corresponding shipping and delivery documents, and credit memos together with corresponding supporting documentation, with respect to invoices and credit memos in excess of an amount determined in the Permitted Discretion of Agent, from time to time;
	(t) a detailed list of the locations of consigned and rental equipment and Borrowers' and their Subsidiaries' customers, with address and contact information;
	(u) copies of purchase orders and invoices and capital leases for Inventory, Eligible Fixed Assets, and Equipment acquired by Borrowers or their Subsidiaries; and
	(v) such other reports as to the Collateral or the financial condition of Parent, the Borrowers, and their Subsidiaries.

Schedule 6.5

Nature of Business

InfuSystem Holdings, Inc. (together with its subsidiaries, the "Company") is the leading provider of infusion pumps and related services. The Company provide its services to hospitals, oncology practices and facilities and other alternate site healthcare providers. It delivers local, field-based customer support, and also operates pump service and repair centers in Michigan, Kansas, California, and Ontario, Canada.

The Company's core service is to supply electronic ambulatory infusion pumps and associated disposable supply kits to oncology clinics, infusion clinics and hospital outpatient chemotherapy clinics to be utilized in the treatment of a variety of cancers including colorectal cancer. Colorectal cancer (CRC) is the second most prevalent form of cancer in the United States, according to the American Cancer Society, and the standard of care for the treatment of CRC relies upon continuous chemotherapy infusions delivered via electronic ambulatory infusion pumps.

The Company provides these pumps and related supplies to oncology clinics, obtain an assignment of insurance benefits from the patient, and bill the patient's insurance company or patient as appropriate, for the use of the pump and supplies, and collect payment. It also provides pump management services for the pumps and associated disposable supply kits to approximately 1,400 oncology clinics in the United States, while retaining title to the pumps during this process.

In addition, it sells, rents and leases new and pre-owned pole mounted and ambulatory infusion pumps to oncology practices and provides biomedical certification, maintenance and repair services for, these same oncology practices as well as to other alternate site settings including home care and home infusion providers, skilled nursing facilities, pain centers and others in the United States and Canada. It also provide these products and services to customers in the hospital market.

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Schedule 6.13

Inventory with Bailees

None.

Exhibit 10.16

FIRST AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This First Amended and Restated Employment Agreement ("Agreement") is made and effective on January 2, 2013 between InfuSystem Holdings, Inc. ("Corporation") and Janet Skonieczny ("Employee").

Recitals

RECITAL A. Corporation is generally engaged in the business of providing Ambulatory Infusion Pumps and IV Delivery Systems;

RECITAL B. Corporation currently employs Employee as Vice President of Operations under the terms of an October 26, 2007 Employment Agreement;

RECITAL C. Corporation has offered, and Employee has accepted, a promotion to the position of Chief Operating Officer; and

RECITAL D. Employee and Corporation desire to have their rights and obligations specified herein.

THEREFORE, in consideration of the mutual covenants stated herein, the parties agree as follows:

Section 1. Scope of Employment.

A. Corporation hereby employs Employee and Employee accepts such employment as Chief Operating Officer. Among other responsibilities set forth in the Job Description for the position, Employee shall be responsible for: Payor Relationship Management, including, but not limited to, CMS Competitive Bidding; Billing and Claims Management; Supply Chain Management; Customer Service and Clinical Support; Inventory and Asset Management; Warehousing/Logistics and Regulatory Issues, and; overseeing all operational functions for Pump Sales and Rentals in Olathe, KS and Madison Heights, MI. Employee shall be paid in accordance with the provisions of Section 3 of this Agreement.

B. During the term of this Agreement, Employee shall diligently and conscientiously devote Employee's full time, attention and energies (but in no event less than 40 hours per week) to the duties herein described. Employee shall not engage in any other employment or business activity without the express prior written consent of Corporation. Employee shall not, directly or indirectly, engage or participate in any activities at any time during the term of this Agreement which conflict with the best interests of Corporation. Employee shall work at such times and at such places as required by Corporation.

C. Employee shall, at all times during the term of this Agreement, discharge Employee's duties herein described in consultation with and under the direction, approval and control of the Chief Executive Officer, or such other individual as designated by Corporation. Notwithstanding any other provision of this Agreement, Corporation reserves the absolute right, in its sole and absolute discretion, to make any and all decisions with respect to actions to be taken by Employee in connection with the rendering of Employee's duties.

Section 2. Term of Agreement.

A. The term of this Agreement shall be effective and continue thereafter unless terminated by either party, with or without cause. This Agreement shall also automatically terminate upon Employee's death or Disability. "Disability" shall be defined as the inability of Employee to reasonably perform her duties or responsibilities to Corporation as a result of mental or physical ailment of incapacity, for an aggregate period of one hundred and eighty (180) calendar days (whether or not consecutive).

B. Employee expressly acknowledges that this Agreement is terminable at will by Employee or Corporation, with or without cause, and without payment, penalty or further obligation except as follows:

i. If Employee's employment with Corporation is terminated (a) by Employee for any reason, (b) by Corporation for Cause, or (b) by Corporation upon Employee's Disability or as a result of Employee's death, then Employee (or Employee's estate) shall be entitled to receive all Annual Base Salary, vacation, benefits and other compensation that has accrued but is unpaid as of the date of termination, including any Bonus Award earned in respect of the immediately preceding calendar year but not yet paid as of the date of termination, and no other compensation. Any payments under this provision (except for any Bonus Award) shall be made within 30 days after the date on which employment terminates. Any Bonus Award payable under this provision shall be made in accordance with Section 3(B)(i) of this Agreement.

ii. If Employee's employment with Corporation is terminated by Corporation for any reason other than as set forth in Section 2(B)(i) above, then contingent upon execution and delivery to Corporation of an unconditional general release, in form satisfactory to the Corporation, of all claims against Corporation, its parent company, subsidiaries, affiliates, officers, directors, employees and agents, arising from or in connection with this Agreement or Employee's employment with Corporation, Employee shall be entitled to receive: (a) all Annual Base Salary, vacation, benefits and other compensation that has accrued but is unpaid as of the date of termination, (b) any Bonus Award earned in respect of the immediately preceding calendar year but not yet paid as of the date of termination, (c) pro-rata vesting of the Stock Options granted pursuant to Section 3(B)(ii) of this Agreement and any then unvested restricted stock grants based upon the length of service performed by Employee in the year of termination, (d) a pro-rata Bonus Award for the year of termination, calculated assuming achievement of the target level of performance within the performance range established with respect to such award and basing such pro-rata portion upon the portion of the award period that has elapsed as of the date of termination, and (e) for a period of one year following the date of termination,

continued payment of Annual Base Salary ("Severance Benefit"). Employee's right to such Severance Benefit shall be conditioned upon Employee's continuing compliance with the non-disclosure and restrictive covenants set forth in Sections 6 and 7 of this Agreement. If Employee fails to comply with the restrictive covenants set forth in Sections 6 and 7 of this Agreement, Employee shall forfeit the Severance Benefit and Corporation shall be entitled to pursue its other remedies set forth in such Sections. Any payments under subsection (a) of this Section 2(B)(ii) shall be made within 30 days after the date on which employment terminates; any payments under subsections (b) and (c) of this Section 2(B)(ii) shall be made in accordance with Section 3(B)(i) of this Agreement; and any payments under subsection (e) of this Section 2(B)(ii) shall be made in accordance with Corporation's regular payroll policies.

iii. "Cause" shall include, but not be limited to, any one or more of the following events: (a) Employee's repeated failure or inability to perform the duties and responsibilities set forth under this Agreement or assigned from time to time by Corporation; (b) Employee's failure to comply with all material applicable laws and regulations in performing the duties and responsibilities set forth under this Agreement or assigned from time to time by Corporation; (c) Employee's breach of any of Employee's legal duties to Corporation, rules applicable to all Corporation employees generally or contractual obligations to Corporation set forth in this Agreement or any other agreement between Corporation and Employee; (d) an act of fraud, misappropriation, or embezzlement on Employee's part which results in or is intended to result in Employee's or another's personal enrichment at the expense of Corporation or its parent company, subsidiaries, affiliates, employees, agents or customers; (e) willful misconduct or gross negligence that has a material adverse effect on Corporation or its subsidiaries or affiliates; (f) Employee's conviction of a felony or of any crime involving moral turpitude or dishonesty (or entering a plea of nolo contendere with respect to such crime); and (g) any other activity which would constitute grounds for termination for cause by Corporation. For purposes of this Agreement, any good faith interpretation by Corporation of the foregoing definition of "Cause" shall be conclusive on Employee.

D. Notwithstanding anything to the contrary in this Section 2, in the event of the termination of Employee's relationship with Corporation for any reason whatsoever, Employee shall continue to be obligated to adhere to all obligations under Sections 6-10, 12 and 17.

Section 3. Compensation.

A. Corporation shall pay Employee a bi-weekly salary, subject to normal withholdings and payable in accordance with the normal payroll practices of Corporation, in the annual amount of Two Hundred Fifty Thousand dollars ($250,000) ("Annual Base Salary"). Salary may be reevaluated on a yearly basis, but there is no guarantee that compensation shall be increased and the decision as to same remains at the sole discretion of Corporation.

B. Employee shall have the opportunity to earn the following incentive compensation:

(i) For each calendar year of Corporation, Employee shall have the opportunity to earn a cash bonus ("Bonus Award") of One Hundred Twenty Five Thousand dollars ($125,000), based on satisfaction of pre-established performance goals for each calendar year established in the sole discretion of Corporation. Corporation may, in its sole discretion, increase the amount of the Bonus Award which Employee may earn during a calendar year, but in no event, shall such increased Bonus Award exceed Two Hundred Fifty

Thousand dollars ($250,000). The Bonus Award shall be paid 60 days after the end of the applicable calendar year; provided, however, if it is administratively impracticable to make the payment by such date, the payment shall be made as soon as reasonably practicable thereafter.

(ii) On or as soon as practicable after the execution of this Agreement, and provided Employee is then still employed by Corporation, Employee shall receive a grant of a stock option pursuant to which Employee may purchase up to One Hundred Ten Thousand (110,000) shares of common stock of InfuSystem Holdings, Inc. ("Stock Options"), of which one-third of such total Stock Options shall vest on each of the next three anniversaries of the grant date, provided that Employee remains employed on such dates. These Stock Options will be awarded pursuant to, and subject to, the InfuSystem Holdings, Inc. 2007 Incentive Compensation Plan, and shall be evidenced by and subject to the terms and conditions to be set forth in a Stock Option Award Agreement.

C. Employee shall not be entitled to any compensation after the termination of Employee's employment for any reason whatsoever, except as provided under Section 2(B)(i) or (ii) or under Employee's 2012 Incentive Compensation Plan.

D. Corporation has the right to deduct from any amounts payable under this Agreement an amount necessary to satisfy its obligation, under applicable laws, to withhold income or other taxes of Employee attributable to payments made hereunder.

Section 4. Fringe Benefits.

A. Employee shall receive the following fringe benefits during the course of Employee's employment:

i. Medical and dental benefits as shall be approved by Corporation from time-to-time;

ii. Retirement benefits in accordance with certain retirement plan(s) of Corporation so long as said plans are maintained by Corporation and so long as Employee has fulfilled the requirements under the plan(s);

iii. Life Insurance benefits as shall be approved by Corporation from time-to-time;

iv. Short Term Disability benefits, Accidental Death and Dismemberment Insurance as shall be approved by Corporation from time-to-time;

v. As to Long Term Disability benefits, Corporation, at its option, shall either (i) continue to pay the premiums currently paid by Corporation on the long-term care insurance policy and disability insurance policy to which Employee is currently covered or (ii) pay the premiums on a long-term care insurance policy and a disability insurance policy with comparable benefits to which Employee would be the insured.

vi. A monthly car allowance of $800 and reimbursement of all related fuel expenses;

vii. The use of a home telephone, cellular phone and laptop computer for business use;

viii. Reimbursement for all reasonable business-related travel and entertainment expenses as per the terms of the InfuSystem Expense Guidelines which can be found on Corporation's computer network. No other expenses shall be reimbursed for any reason whatsoever;

iv. Personal Time Off ("PTO") subject to the terms of Corporation's Employee Handbook; and

x. All other benefit plans and arrangements provided by Corporation to its similarly situated executives, subject to, and on a basis consistent with, the terms, conditions and overall administration of such plans and arrangements. Corporation reserves the right to modify or terminate its benefit plans and arrangements generally for employees or any group of employees.

B. Employee shall not be entitled to any fringe benefits not set forth in this Section or Corporation's Employee Handbook.

C. Employee specifically acknowledges that Corporation reserves the right to change the terms of Corporation's Employee Handbook at any time, in its sole discretion.

Section 5. Change in Control.

In the event that Employee is terminated without Cause within six (6) months of a Change in Control as herein defined, (i) all the Stock Options granted pursuant to Section 3(B)(ii) of this Agreement, and (ii) all Restricted Shares of InfuSystem Holdings, Inc. granted pursuant to other agreements between the Company and Employee shall immediately vest and all restrictions with respect thereto shall lapse. For the purposes hereof, the term "Change in Control" means the following and shall be deemed to occur if and when: (i) any person (as that term is used in Sections 13(d) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of 50% or-more of either the then outstanding shares of common stock or the combined voting power of InfuSystem Holdings, Inc.'s then outstanding securities entitled to vote generally in the election of directors unless such person is already a beneficial owner on the date of this Agreement, or (ii) individuals who, as of the date hereof, constitute the Board of Directors of InfuSystem Holdings, Inc. ("Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors of InfuSystem Holdings, Inc., provided that any individual who becomes a director after the date hereof whose election, or nomination for election by InfuSystem Holdings, Inc.'s shareholders, is approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered to be a member of the Incumbent Board. Notwithstanding anything contained herein to the contrary, any merger of InfuSystem Holdings, Inc. with InfuSystem, Inc. or a subsidiary or affiliate of InfuSystem, Inc. shall not be deemed to be a Change in Control.

Section 6. Non-Disclosure of Confidential Information.

Employee acknowledges that, in and as a result of Employee's performing the duties hereunder, Employee will be making use of, acquiring, creating and/or adding to confidential and proprietary information of a special and unique nature and value relating to the customers, potential customers, customer lists, suppliers, vendors and agents of Corporation ("Corporation" for purposes of Section 6 of this Agreement shall include Corporation, its parent company, subsidiaries, affiliates and related parties, including, but not limited to, InfuSystem, Inc. and InfuSystem Holdings USA, Inc.), the contracts, pricing lists, marketing plans, business records, accounting records, sales reports, billing systems, inventory systems, financing and loan documents, bank records, financial records and statements, tax filings and records, account lists, territory reports, quotation forms, advertising and marketing methods and techniques, systems, methodologies, facts, data, patent and license information of Corporation, the computer systems, computer programs, software, web portal solutions, customer sales portal design, development, and programming of Corporation, the employee payroll information and records, employee medical records, information contained in employee personnel files or other employee files of Corporation, and all other information concerning the business and/or affairs of Corporation (hereinafter "Confidential Information").

A. As an inducement for Corporation to enter into this Agreement, Employee agrees that Employee will not, at any time, either during the term of this Agreement or thereafter, divulge, review or communicate to any person, firm, corporation or entity whatsoever, directly or indirectly, or use for Employee's own benefit or the benefit of others, any Confidential Information which may be in Employee's possession or to which Employee has access. Employee further acknowledges that all records and lists of the customers and prospective customers of Corporation, and all matters affecting or relating to the business and financial operation of Corporation, are the property of Corporation and are material and confidential and greatly affect the effective and successful conduct of the business of Corporation and the goodwill of Corporation. Employee hereby agrees that Employee shall never divulge, disclose or communicate any such information to any person, firm, corporation or other entity during the term of this Agreement or thereafter.

B. Employee agrees that any books, manuals, price lists, customer lists, supplier and/or distributor lists, plans, samples or other written or electronic evidence and/or forms of Confidential Information, including, but not limited to emails, computer files and all other electronic media, shall only be used by Employee during the term of this Agreement and constitute the property of Corporation. Employee is only authorized to use these materials while undertaking Employee's responsibilities under this Agreement. All of these materials must be returned to Corporation or destroyed by Employee upon Employee's separation from Corporation for any reason whatsoever.

C. Corporation has informed Employee of the need to keep the terms of this Agreement confidential in order to prevent damage to Corporation's business and its relationships with its other employees. Therefore, during the term of this Agreement and thereafter, Employee shall not disclose any of the terms of Employee's compensation and commission schedule under this Agreement, or any documents generated by Corporation or Employee relating to the calculation of Employee's compensation or bonuses, to any third party other than Employee's accountant, financial and legal advisors or spouse, or as required under State or Federal law. In the event of a breach of this confidentiality provision, Corporation shall be entitled to a permanent injunction, in order to prevent or restrain any such breach by Employee, as well as all of its attorney fees and costs expended in enforcing this Section, its actual damages and any other remedies available to it at law or in equity.

Section 7. Covenants Against Competition.

Employee acknowledges that Employee's duties as herein described are of a special and unusual character which have a unique value to Corporation, the loss of which could not be adequately compensated by damages in an action at law. In view of the unique value to Corporation of the Employee's duties for which Corporation has contracted hereunder, because of the Confidential Information to be retained by or disclosed to Employee as set forth above and as a material inducement to Corporation to enter into this Agreement, Employee covenants and agrees that, unless Corporation and its successors and assigns shall cease to engage in business:

A. During the term of this Agreement and for a period of two (2) years thereafter, Employee shall not, directly or indirectly, solicit the customers of Corporation ("Corporation" for purposes of Sections 7(A)-(D) of this Agreement shall include Corporation, its parent company, subsidiaries, affiliates and

related parties, including, but not limited to, InfuSystem, Inc. and InfuSystem Holdings USA, Inc.) or divert the customers of Corporation from doing business with Corporation, and further, shall not induce any individual or entity to refrain from referring customers or work to Corporation. For purposes of this Section 7A, the customers of Corporation shall include:

i. any individual, business or governmental entity which purchased goods or services from Corporation at any time prior to the execution of the Agreement or during the term of the Agreement;

ii. any individual, business or governmental entity whose name appears on a list of prospective customers maintained by Corporation which list was existing at any time prior to the execution of the Agreement or during the term of the Agreement;

iii. any suppliers, distributors, vendors or other entities which provided goods or services to Corporation at any time prior to the execution of the Agreement or during the term of the Agreement; and

iv. any non-profit organizations, large customer facilities or referral sources which did any business with, or referred any customers to, Corporation at any time prior to the execution of the Agreement or during the term of the Agreement.

B. During the term of this Agreement and for a period of two (2) years thereafter, Employee shall not, directly or indirectly, own, manage, operate, join, control, accept employment with, or participate in the ownership, management, operation or control of, or act as an employee, agent or consultant to, or be connected in any manner with, any business which is competitive with Corporation in any states, territories or provinces of the United States, Canada, Mexico or any other countries in which Corporation has conducted business at any time prior to Employee's separation from Corporation, or such states, territories or provinces as to which Corporation has future plans to expand its business into, for any reason whatsoever.

C. At the conclusion of the two (2) year non-competition/non-solicitation period set forth in this Section 7(A) and (B), Corporation may in its sole discretion elect to extend the non-competition/non-solicitation period and provisions of Sections 7(A) and (B) by up to an additional one (1) year period by paying Employee her Annual Base Salary as set forth in Section 3(A) for a commensurate period of time.

D. During the term of this Agreement and for a period of three (3) years thereafter, regardless of the reason for Employee's separation of employment from Corporation, Employee shall not, directly or indirectly, solicit for employment or employ any employees, agents or independent contractors of Corporation or their assigns, unless previously agreed to in writing by Corporation or its assigns.

Section 8. Employee's Review of Sections 6 and 7.

A. Employee has carefully read and considered the provisions of Sections 6 and 7 hereof and, having done so, agrees that the restrictions set forth in such Sections are fair and reasonable and are reasonably required for the protection of the interests of Corporation, its officers, directors and other employees. Employee acknowledges that the restrictions set forth in Sections 6 and 7 hereof will not unreasonably restrict or interfere with Employee's ability to obtain future employment.

B. It is the belief of the parties that the best protection which can be given to Corporation which does not in any manner infringe on the rights of Employee to conduct any unrelated business, is to provide for the restrictions described above. In the event any of said restrictions shall be held unenforceable by any court of competent jurisdiction, the parties hereto agree that it is their desire that such court shall substitute a reasonable judicially enforceable limitation in place of any limitation deemed unenforceable and, as so modified, the covenant shall be as fully enforceable as if it had been set forth herein by the parties. In determining this limitation, it is the intent of the parties that the court recognize that the parties hereto desire that this covenant not to compete be imposed and maintained to the greatest extent possible.

C. In the event of a breach of Section 6 or 7, Corporation, in addition to and not in limitation of any other rights, remedies or damages available to Corporation at law or in equity, shall be entitled to a permanent injunction, in order to prevent or restrain any such breach by Employee, or by Employee's partners, agents, representatives, servants, employers, employees and/or any and all persons directly or indirectly acting for or with Employee.

Section 9. Public Statements.

Employee shall not make any public statements or disclosures regarding the terms of Employee's employment with Corporation, this Agreement or the termination of Employee's employment (for any reason whatsoever) which are not pre-approved in writing by Corporation. Further, Employee shall not make, at any time, any public statement that would libel, slander, disparage, denigrate or criticize Corporation, its parent company, subsidiaries and affiliates or any of their respective past or present officers, directors, employees or agents. Notwithstanding this Section, nothing contained herein shall limit or impair the ability of any party to provide truthful testimony in response to any validly issued subpoena.

Section 10. Intellectual Property.

A. Employee assigns to Corporation all rights, title and interest in and to all creations which are or may become legally protectable or recognized as forms of intellectual property rights, including all works, whether registerable or not, in which copyright, design right or any form of intellectual property rights may subsist, including, but not limited to all innovations, inventions, improvements, marks, grants, designs, processes, methods, formulas, techniques, videotapes, audiotapes and computer programs, (all referred to as "Intellectual Property"), which Employee, either solely or jointly, conceives, makes or reduces to practice during the time that this Agreement is in effect, which relate to or touch upon Employee's services to Corporation, or any aspect of Corporation's business, including but not limited to anything related to Confidential Information. All such Intellectual Property shall be the absolute property of Corporation. Employee shall make and maintain written records of and promptly and fully disclose to Corporation all such Intellectual Property.

B. During and after termination of Employee's services under this Agreement, Employee shall perform all useful or necessary acts to assist Corporation, as it may elect, to file patent, design, mark and copyright applications in the United States and foreign countries to protect or maintain rights in the Intellectual Property, and also perform all useful or necessary acts to assist Corporation in any related proceedings or litigation as to such Intellectual Property.

Section 11. Rules and Regulations.

Employee agrees to comply with all rules and regulations of Corporation as established from time to time, including, but not limited to, the Employee Handbook and InfuSystem Expense Guidelines.

Section 12. Indemnity.

Employee holds harmless and indemnifies Corporation, its successors and assigns, from and against any and all liabilities, costs, damages, expenses and attorney fees resulting from or attributable to any and all willful, criminal or grossly negligent acts and/or omissions of Employee in connection with Employee's actions under this Agreement; provided, however, that to the extent any such liabilities, costs, damages, expenses and attorney's fees are compensated for by insurance purchased by Corporation and/or Employee, Employee shall not be required to reimburse Corporation for the same.

Section 13. Assignment.

This Agreement is personal to Employee and Employee may not assign nor delegate any of Employee's rights or obligations hereunder. Notwithstanding anything to the contrary, in the event of Employee's death, any amounts owing to Employee as compensation shall be payable to a beneficiary designated in writing by Employee, or if no such designation was made, to Employee's estate. Corporation may, without Employee's consent, assign this Agreement to any parent, subsidiary or affiliate of Corporation, to any successor in interest to the business of any of Corporation, or to a purchaser of all or substantially all of the assets of any of Corporation.

Section 14. Partial Invalidity.

If any term, covenant, warranty, section, clause, condition or provision of this Agreement, is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof, or the application of such term, covenant, warranty, section, clause, condition or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. In such event, this Agreement shall be construed in all respects as if such invalid, void or unenforceable provisions, etc., were omitted.

Section 15. Section 409A.

This Agreement shall be interpreted and applied in all circumstances in a manner that is consistent with the intent of the parties that, to the extent applicable, amounts earned and payable pursuant to this Agreement shall constitute short-term deferrals exempt from the application of Section 409A and, if not exempt, that amounts earned and payable pursuant to this Agreement shall not be subject to the premature income recognition or adverse tax provisions of Section 409A. Any payments to be made under this Agreement upon a termination of employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, Corporation makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall Corporation be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

Section 16. Binding Agreement.

This Agreement shall become effective only upon execution by both parties. The submission of this Agreement for review to Employee shall not be construed to be a binding offer of employment.

Section 17. Miscellaneous.

A. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, devisees, legatees, personal representatives, successors and assigns.

B. Any action or suit by Employee against Corporation arising out of Employee's employment, termination of employment or this Agreement, including, but not limited to, claims arising under State or Federal civil rights statutes, must be brought within 180 days of the event giving rise to the claims or be forever barred. Employee expressly waives any limitation periods to the contrary.

C. The prevailing party in any action relating to this Agreement shall be entitled to recovery of all reasonable attorney fees, costs and expenses related to same.

D. Any notices, designations, consents, offers, acceptances, or other communication desired or required to be given hereunder, shall be in writing and shall be deemed to have been sufficiently given or served for all purposes, if hand-delivered or sent by certified or registered mail, return receipt requested, postage prepaid, or sent by overnight mail to Employee's last known address, unless notice of a change of address is furnished to Corporation in the manner established by Corporation's Employee Handbook.

E. Except as expressly stated herein, this Agreement specifically supersedes any and all negotiations, discussions, proposed drafts and previous employment and compensation agreements, including, but not limited to, offers of employment, Employee's October 26, 2007 Employment Agreement, 2012 Executive Severance Agreement and 2012 Retention Bonus Letter, but not Employee's 2012 Incentive Compensation Plan. Employee remains bound by the terms of the Employee Handbook and all other written policies of the Corporation, although the terms of this Agreement supersede any contradictory terms of such other documents, except for the previously executed Non-Disclosure Agreement and the PHI Confidentiality Agreement. Employee specifically acknowledges that Employee is not entitled to either deferred compensation, dividends or any ownership interest of any kind in Corporation or any related companies or assets not expressly referenced herein and expressly waives any claims as to same, except as to any currently owned stock in Corporation or as provided in any Restricted Stock Award Agreements.

F. This Agreement sets forth the entire understanding of the parties and shall not be changed or terminated orally. The terms of this Agreement can only be changed through a written instrument signed by the CEO or CFO of Corporation. The waiver by Corporation of a breach of any provision of this Agreement by Employee shall not operate or be construed as a waiver of any subsequent breach by Employee.

G. The section headings as herein used are for convenience of reference only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

H. The parties acknowledge that they jointly drafted this Agreement, that no party can be properly referred to as the drafter of same and that none of the language contained here can be properly construed against either party as the drafter of same.

I. This Agreement is being executed and delivered in the State of Michigan and shall be governed by and construed and enforced under the laws of the State of Michigan.

J. The parties expressly agree that the Oakland County Circuit Court shall have exclusive jurisdiction over any disputes arising out of this Agreement and that venue is only appropriate in the said Circuit Court.

K. This Agreement may be executed (including by facsimile or scanned electronic mail transmission) in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Corporation has caused this Agreement to be signed by its duly-authorized Officer, and Employee has signed this Agreement in Madison Heights, Michigan as of the day and year written below.

CORPORATION:	**EMPLOYEE:**
/s/ Dilip Singh	/s/ Janet Skonieczny
InfuSystem Holdings, Inc., by its Chief Executive Officer	Janet Skonieczny
Date: January 2, 2013	Date: January 2, 2013

Exhibit 10.30

LEASE AGREEMENT

On this 13th day of September 2012, the Landlord-Lessor, **RESEARCH PARK DEVELOPMENT CO, LLC,** a Michigan Limited Liability Company ("Landlord"), whose address is 1000 E. Mandoline, Madison Heights, MI 48071 and the Tenant-Lessee, **INFUSYSTEM, INC.**, a California Corporation ("Tenant"), whose local address is 31700 Research Park Drive, Madison Heights, MI 48071, enter into this Lease Agreement ("Lease"), subject to the following terms and conditions:

1. **Description of the Premises.** Landlord leases to Tenant the Premises, legally described in Exhibit A. The Premises includes, approximately 23,980 square feet of office/ warehouse space, and the land upon which it is located, commonly known as 31700 Research Park Drive, Madison Heights, Michigan 48071 (the building and the land are collectively referred to as the "Premises").
2. **Common Areas.** Tenant is the sole occupant of the Premises.
3. **Term.** The term of this Lease shall be for a period of 81 months, commencing on January 1, 2013 and concluding on September 30, 2019.
4. **Minimum Rent.** Tenant shall pay Landlord rent according to the following schedule:

MONTHS	RENT/MONTH	TOTAL
01-03@ $00.00 PSF/Gross	$00,000.00 p/mo	$000,000.00
04-15@ $11.00 PSF/Gross	$21,981.67 p/mo	$263,780.04
16-27@ $11.35 PSF/Gross	$22,681.08 p/mo	$272,172.96
28-30@ $00.00 PSF/Gross	$00,000.00 p/mo	$000,000.00
31-42@ $11.70 PSF/Gross	$23,380.50 p/mo	$280,566,00
43-54@ $12.05 PSF/Gross	$24,079.92 p/mo	$288,959.04
55-57@ $00.00 PSF/Gross	$00,000.00 p/mo	$000,000.00
58-69@ $12.40 PSF/Gross	$24,779.33 p/mo	$297,351.96
70-81@ $12.51 PSF/Gross	$25,000.00 p/mo	$300,000.00

The numbered months are listed in Exhibit B.

Rent shall be paid in advance, on the 1st day of each month during the term of the Lease. Tenant shall pay rent to Landlord at the address stated above or at an address designated by Landlord in writing, without any prior demand from Landlord. If Tenant fails to pay any amount due to the Landlord under this Lease within ten (10) days of when the amount is due, Landlord shall assess Tenant a late fee of five (5%) percent of the monthly payment due. As indicated below, Tenant shall be solely responsible for the payment of the utilities, including those months when no rent is due (months: 01-03, 28-30 and 55-57).

5. **Additional Rent.** See Section 14 below.

6. **Operation and Maintenance of Common Areas.** The Premises includes the Landlord's rights in the general and limited common elements of the Premises. For purposes of this section and wherever else used in this Lease, the common area shall be defined as and include, by way of illustration, but not by way of limitation, all parking areas, landscaped and planting areas, retaining walls, lighting facilities, and all other areas and improvements which may be provided by Landlord to Tenant, their officers, directors, members, employees, agents, attorneys, invitees, licensees, successors and assigns, presently or in the future, so long as Tenant is not in default under the terms of this Lease. Tenant shall have the exclusive right to use the common areas for its intended purposes, subject only to Landlord's access rights under this lease.

7. **Signs.** Tenant already has existing signage. Any changes to the signage shall be in keeping with the character and décor of the Premises and shall be first approved in writing by Landlord, which consent shall not be unreasonably withheld or delayed and shall be in conformity with all federal, state and local statutes and ordinances ("legal requirements"), pertaining to signs. All changes to the signage shall be at Tenant's sole cost and expense. Upon expiration or termination of the Lease, Tenant shall be entitled to remove its signage and, in such event, shall restore the building's façade and land to it pre-existing condition.

8. **Use.** The Premises are to be used and occupied by Tenant for the operation of general office and medical device distribution, including testing, cleaning, repair, minor fabrication, wholesale pharmacy, and related uses. In the event Tenant desires to change the nature of its business, Tenant shall submit its proposed business change in writing to Landlord for consent, which consent shall not be unreasonably withheld or delayed. No activity shall be conducted on the Premises, which fails to comply with all federal, state and local laws, municipal ordinances or regulations. In addition to all federal, state and local statutes and ordinances, the Premises shall be subject to various use restrictions, including those listed in Section 9 of this Lease.

9. **Restrictions.**

a. Tenant shall not operate any part of its business on the Premises for other than as set forth in Section 8 above.

b. Any sidewalks, lobbies, passages and stairways shall not be obstructed or used by Tenant for any purpose other than ingress and egress to and from the Premises.

c. The toilet rooms, toilets, urinals, sinks, faucets, plumbing or other service apparatus of any kind shall not be used for any purposes other than those for which they were installed, and no sweepings, rubbish, rags, ashes, chemicals or other refuse or injurious substances shall be place therein or used in connection therewith.

d. Tenant shall not impair in any way the fire safety system and shall comply with all safety, fire protection and evacuation procedures and regulations established by any governmental agency.

e. Tenant shall not hang, install, mount, suspend or attach anything from or to any sprinkler, plumbing, utility or other lines.

f. Tenant shall not change any locks nor place additional locks upon any doors without providing keys or other access acceptable to Landlord.

g. Tenant shall not use nor keep in the Premises any matter having an offensive odor, nor explosive or highly flammable material, nor shall any animals other than handicap assistance dogs in the company of their masters be brought into or kept in or about the Premises.

h. Tenant shall not place weights anywhere beyond the safe carrying capacity of the Premises.

i. The use of rooms as sleeping quarters is strictly prohibited at all times.

j. Tenant shall comply with all parking regulations promulgated by the municipality, including but not limited to the following: Parking shall be limited to automobiles, passenger or equivalent vans, motorcycles, light four wheel pickup trucks and (in designated areas) bicycles. Parked vehicles shall not be used for vending or any other business or other activity while parked in the parking areas. All vehicles entering or parking in the parking areas shall do so at owner's sole risk and Landlord assumes no responsibility for any damage, destruction, vandalism or theft. Notwithstanding anything to the contrary herein, Tenant and Tenant's invitees shall be allowed to park large vehicles such as 18-wheel trucks for the purpose of picking up or delivering

inventory or other items used in Tenant's business, so long as the same is in accordance with municipal ordinances. Further, Landlord agrees to install lighting and security cameras, on an as needed basis, in the parking lot (the recordings for which shall be solely monitored by Tenant).

k. If smoking is prohibited in or on the Premises by any federal, state or local statutes and ordinances ("legal requirements"), Tenant and its agents shall not smoke on the Premises or at its entrances or exits, except in compliance with law.

l. Except for loading and unloading of inventory or other materials or products used in Tenant's business, Tenant shall not engage in any manufacturing, production, process, or other business activity in the parking lots, or on any other outside part of the Premises. Tenant shall confine such activities to the interior of the Premises.

m. Landlord reserves the right to rescind, suspend or modify these restrictions, and to make such other rules and regulations as, in Landlord's reasonable judgment, may from time to time, be needed for the safety, care, maintenance, operation and cleanliness of the Premises. Notice of any action by Landlord, to Tenant, shall have the same force and effect as if originally made a part of this Lease. New restrictions shall not, however, be more restrictive than the restrictions set forth herein or inconsistent with the proper and rightful enjoyment of the Premises by Tenant under the Lease.

n. These restrictions are not intended to give Tenant or its agents any rights or claims in the event that Landlord does not enforce any of the restrictions against Tenant or its agents or if Landlord does not have the right to enforce them and such non-enforcement shall not constitute a waiver as to Tenant or its Agents.

10. **Continuity of Operations.** Notwithstanding anything in this Lease to the contrary, if Tenant is not otherwise in default under the lease, and continues to make all payments of Minimum Rent and other charges in accordance with the terms of the lease, Tenant shall not be deemed in breach because of its failure to operate business from the Premises.

11. **Leasehold Improvements:** At Landlord's sole cost and expense, Landlord shall construct Leasehold Improvements to the Premises ("Improvements") in conformity with the Diagram Scheme and Scope of Work Clarifications, attached hereto and made a part hereof as Exhibit "C." The Improvements shall be constructed in phases so as to minimize disruption to Tenant's current business operations; provided, however, said Improvements shall be completed not later than the commencement of the Lease term on January 1, 2013. Further, the Improvements shall be subject to the Representations and Warranties in section 25 below.

12. **Abandonment and Vacation of the Premises.** If Tenant abandon or vacate the Premises or is dispossessed by process of law or otherwise, any of Tenant's personal property that is left on the Premises may at the option of Landlord be deemed abandoned after thirty (30) days written notice to Tenant, at Tenant's last known address. In the event, Tenant does abandon or vacate the Premises or is dispossessed by process of law and the Landlord finds a replacement tenant, Tenant shall be responsible for all moving and storage costs associated with Tenant's personal property. In no event, shall Landlord be responsible for any damage to Tenant's personal property remaining on premises. Notwithstanding anything to the contrary herein, in accordance with section 10 above, as long as Tenant is making its payments of Minimum Rent and other charges under the Lease, Landlord shall have no rights under this section 12.

13. **Operations.**

    a. Subject to section 10, at all times, Tenant shall operate its business in accordance with industry standards.

    b. Tenant shall not keep any display windows or signs on the Premises unless approved in writing by Landlord.

    c. Tenant shall keep all refuse in the kind of containers in accordance with municipal ordinances.

    d. Tenant shall maintain the Premises at a temperature sufficiently high to prevent water from freezing in the pipes or fixtures.

14. **Taxes and Assessments.** NONE, EXCEPT AS STATED HEREIN (This is a Gross Lease and includes all maintenance, real estate taxes and property insurance, except as provided for herein. Tenant shall be responsible to pay its utilities (as described below), income taxes, personal property taxes and all other fees and taxes not specifically identified above.

    Notwithstanding the foregoing and subject to the limitations stated herein, Tenant shall pay Landlord, as additional rent, those items set forth below in this Lease and any incremental increases in the Operational Expenses (as defined herein) of Landlord to the extent such Operational Expenses exceed in any calendar year the amount of Operational Expenses paid by Landlord during the 2013 calendar year (the "Base Year") on a non-cumulative basis. By way of illustration, but not by way of limitation, the phrase "non- cumulative" means the following: Assuming that in 2013, the Operational Expenses ("OE") equal $50,000. In 2014, the OE equals $52,000. In 2015, the OE equals $55,000. In 2016, the OE equals $54,000. Due to a reduction in the real estate taxes, the OE in 2016 equals $48,000. In the foregoing scenarios, in 2014, Tenant would pay Landlord $2,000; in 2015, Tenant would pay Landlord $5,000; in 2016, Tenant would pay Landlord $4,000.00. In 2016, Tenant would pay Landlord zero because in no event shall Tenant's obligation for OE be less than zero. Tenant's share of the annual incremental

increases in the Operational Expenses for each calendar year and partial calendar year during the term of this Lease, as the same may be extended hereunder, shall be paid in monthly installments on or before the first (1st) day of each calendar month, in advance, in an amount estimated by Landlord. In the event there is a deficiency in the total amount paid by Tenant and the actual amount due, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due within forty-five (45) days after the receipt of a billing statement provided by Landlord. The billing statement shall become a final, binding and non disputable obligation of Tenant and Tenant shall waive any and all rights to dispute the same unless Tenant delivers written notice of all disputed charges to Landlord within thirty (30) days of the date Tenant has received such billing statement and all expense documentation Tenant has requested. Tenant shall be entitled to review any and all expense documentation supporting any charges under this Section.

For purposes of this Lease, "Operational Expenses shall mean costs and expenses, if any, of every kind and nature reasonably paid or incurred by Landlord in operating, equipping, policing and protecting, lighting, heating, cooling, insuring, repairing, replacing and maintaining the Premises, including, without limitation, all common areas, leaseable areas and leased areas, and further including the cost of insuring all property provided by Landlord which may at any time comprise the Premises. Such costs and expenses shall include, but not be limited to illumination, maintenance, installing, renting of Premises signs, cleaning, lighting, snow removal, line painting, parking lot sealing, re-sealing and/or repaving and landscaping, gardening, planting, premiums for liability and property insurance, Landlord's personal property taxes, real property taxes, janitorial services, supplies, holiday decorations, costs of installation, and maintenance and replacement of equipment used solely at the Premises, air conditioning, heating and ventilation systems, water systems and utilities associated therewith used to provide such services to Tenant, costs incurred in installing, maintaining energy saving utility equipment for the Premises, if any. The term "common areas" shall mean, the parking lot, roadways, pedestrian sidewalks, truckwells, loading docks, delivery areas, landscaped areas, roof areas over the entire Premises and structural outer walls and floors, flashings, gutters and downspouts, if any, and all other areas or improvements which may be provided by Landlord to the Premises. Notwithstanding anything herein to the contrary, Tenant shall not be responsible for any expense or cost which would be deemed a capital improvement or capital expenditure under generally accepted accounting principles.

However, any incremental increases in the Operational Expenses shall be limited to an annual cap equivalent to the increase in the Consumer Price Index ("CPI"). The CPI shall mean the U.S. Department of Labor, Bureau of Labor Statistics, Cost of Living for Urban Consumers in the City of Detroit. If the publication of such index shall have been discontinued, Landlord and Tenant shall accept statistics on the Cost of Living for the Greater Metropolitan Detroit Area as they shall be computed and published by an

agency of the United States or by a reasonable financial periodical of recognized authority. In the event, the adjustment can not be computed because of the non-availability of the aforementioned index, or an alternative source, or for any other reason, the monthly rent shall be increased in the same proportion as the decrease in the purchasing power of the U.S. Dollar, if any, at the consumer level. Tenant shall have the right to contest real estate taxes on the Premises and if Tenant so requests, Landlord agrees to consult and cooperate with Tenant and join in such documents as may be necessary and appropriate to the action, but all at non out-of-pocket cost or expense to Landlord.

15. **Maintenance and Repairs.** Paid by Landlord. (Includes HVAC, plumbing, structural issues, electrical, roof, general maintenance [including snow removal and lawn care], five (5) days of janitorial service each week, window cleaning, fire extinguisher certification, roof, and parking lot, unless said damage is due solely to the negligence or intentional acts of Tenant, its agents, employees and/or customers). Notwithstanding the foregoing, the Liebert HVAC Unit for the Computer Room shall remain the responsibility of Tenant. Tenant acknowledges that complete removal of snow and ice, from the parking lot and the sidewalks, during winter months, is impossible; and, therefore, each party agrees to maintain liability insurance on the Premises and further agrees to indemnify each other as a result of casualties resulting therefrom.

16. **Assignments and Subleases.** Tenant agrees not to assign or sublease any part of the Premises without written consent from Landlord, which consent shall not be unreasonably withheld or delayed. Notwithstanding any such assignment or sublease, Tenant remains fully liable under this Lease. Landlord's right to assign this lease or mortgage the Premise is unqualified. Notwithstanding the provisions of this section, without Landlord's consent (but upon notification to Landlord as described below), Tenant may assign this Lease to an affiliate of Tenant or to any corporation or other entity with which Tenant may merge or consolidate, or to which all or substantially all of Tenant's assets are sold, including, specifically, a merger, consolidation or asset transfer; so long as the assignee's proposed use does not violate the terms of this Lease and assignee's net worth is equal to or greater than the net worth of Guarantor. Further, Tenant shall give Landlord reasonable notice of the transaction and copies of documentation upon which the transaction is based. On any transfer of the Premises in which the transferee assumes all of Landlord's obligations under this Lease, Landlord shall be freed from all its obligations under this Lease and from liability for any acts or omissions occurring after the conveyance. Tenant agrees to attorn to any such transferee and to sign and deliver, at Landlord's request, any documents and letters to assist in that transfer; provided, however, such transferee shall recognize, in writing, Tenant's rights under the Lease and shall not disturb Tenant's tenancy so long as Tenant is not in default thereunder.

17. **Utilities.** Tenant shall have all utilities for the Premises metered in Tenant's name and shall pay all charges and deposits for utilities for the Premises during the term of the Lease. Further, Landlord shall not be liable for damages from the interruption of utilities because of any casualties or labor disputes, necessary repairs or improvements, or any other causes beyond the Landlord's reasonable control.

18. **Mutual Releases.** None, except as provided for herein.

19. **Liability Insurance.** Tenant shall obtain and maintain in full force and effect commercial general liability insurance, along with the other types of insurance, including the umbrella liability coverage, in the amounts specified in the certificate of insurance attached hereto and made a part hereof as Exhibit F and shall name Landlord as an additional insured party thereon.

    The issuing company of the insurance shall be subject to Landlord's approval, which approval shall not be unreasonably withheld or delayed. Each insurance policy shall also contain a provision exempting the Landlord from any loss of coverage as an insured due to the acts of Tenant. Tenant shall give Landlord customary insurance certifications evidencing that the insurance is in effect during the term of the Lease. All policies must also provide for notice by the insurance company to Landlord of any termination, cancellation or modification of a policy at least 30 days in advance. All policies shall name both Tenant and Landlord as insured parties. In the event that the insurance policy contains a deductible clause, Tenant hereby indemnifies Landlord against any loss occasioned by the enforcement of the deductible provision of the insurance policy.

    All of Tenant's personal property, including trade fixtures, on the Premises shall be kept at the Tenant's sole risk, and Landlord shall not be responsible for any loss of business or other loss or damage that is occasioned by acts of God or acts or omissions of persons occupying neighboring premises or any part of the premises adjacent to or connected with the Premises.

    Notwithstanding anything herein to the contrary, but subject to the Waiver of Subrogation Provision in section 29 below, if applicable, each party shall be liable to the other for its negligence, intentional acts or breach of this Lease as well as the negligence and intentional acts of its agents, employees and/or representatives.

    Landlord shall also maintain Public Liability and Property Insurance as well as Commercial Property Insurance. The Commercial Property Insurance shall be in an amount equal to the replacement cost of the building.

20. **Damage and Destruction.** If, during the term of this Lease, the Premises are partially or totally destroyed by a casualty covered by insurance and become partially or totally unleaseable, Landlord shall repair the Premises at its expense as soon as possible unless the Lease is terminated, as described herein. If the Premises cannot be repaired within 90 days of the date of

damage, either party may terminate this Lease. If the Premises are damaged and the Lease is not terminated, rent due under the Lease shall abate on a pro-rata basis while the Premises are being restored.

If, during the term of this lease, the Premises are partially or totally destroyed by any casualty and the cost of restoring the Premises to their prior condition is 30% percent or more of their fair replacement value immediately before the damage or if the Premises are damaged by some casualty against which the Landlord has not insured the Premises, the Landlord may terminate this Lease by giving the Tenant written notice within 15 days after the date on which the damage occurs. Such notice shall terminate the Lease from the date when the damage occurred. If the Landlord does not give such notice, the Lease shall continue and the Landlord shall cause the Premises to be repaired as soon as possible.

21. **Condemnation.** If any public authority takes all or part of the Premises under the power of eminent domain, the term of this Lease shall cease on the part of the Premises to be taken on the day the public authority acquires possession and Tenant shall pay rent up to that date. If a partial taking substantially impairs the use of the Premises for which they were leased, Tenant may either terminate the Lease or continue in possession of the remaining Premises under the provisions of this Lease except that rent shall be reduced in proportion to the amount of the Premises taken. If the Lease is not terminated, Landlord shall restore the remaining Premises to a reasonably leaseable condition. All damages awarded for the taking shall belong to Landlord. Tenant retains the right to recover any and all damages against the public authority as they pertain to its property, its relocation expenses, and its leasehold interests and reimbursement for Tenant's leasehold improvements.

22. **Alterations.** Tenant shall not alter the Premises without prior written consent from Landlord, which shall not be unreasonably withheld or delayed. Cosmetic changes to the building, such as painting, window coverings and the like shall not required Landlord's consent. Additionally, Tenant shall not be required to obtain Landlord's consent for any alteration, addition or improvement for which the total cost is $15,000 or less, and which is non- structural in nature; provided, however, said alteration, addition or improvement shall be subject to reasonable notification by Tenant to Landlord, along with any documentation relative to same. All alterations except moveable equipment and trade fixtures that are put in at the Tenant's expense shall be the property of Landlord and shall remain on the Premises when the Lease terminates. Tenant shall not be responsible for any pre- existing conditions on the Premises, except that Tenant is already in possession of the Premises and accepts the Premise in an "AS IS" condition subject to Landlord's work set forth in section 11. Landlord may make any changes or alterations to the building, parking lot, driveways, signs, landscaping, sidewalks or other common areas, as it deems necessary, so long as there is no disruption to the ability of Tenant to conduct business as usual on the Premises and provided such changes or alterations do not adversely effect ingress, egress, visibility or parking for or to the Premises.

23. **Defaults and Remedies.** If the Tenant defaults on any payments to the Landlord and does not cure the default within 10 days of written notice from Landlord, if the Tenant defaults on any other obligations under the Lease and does not cure the default within 30 days after written notice from the Landlord specifying the default, or if the Tenant is adjudicated bankrupt or makes an assignment for the benefit of creditors, then the Landlord may accelerate the balance of rent for the remainder of the terms and sue for the sum due, subject to Landlord's duty to act reasonably to mitigate its damages hereunder, and may terminate the Lease; alternatively, the Landlord may, without terminating the Lease and after receipt of a valid court order, enter the Premises, dispossess the Tenant and any other occupants of the Premises, remove their effects, and release the Premises under any terms satisfactory to the Landlord. In the event that the default cannot be cured within the specified time, but Tenant timely undertakes to cure same, the time period to cure may be extended for an additional 60 days, but not to exceed a total time of 90 days from the date of notice. If the Landlord chooses the latter option, the Landlord shall credit the proceeds from releasing the Premises, and the Tenant shall remain liable to the Landlord for the balance owed.

    If Landlord defaults in the performance of any obligation hereunder and fails to cure same within 10 days of written notice from Tenant, or immediately in the event of an emergency, then the Tenant may seek a remedy at law or otherwise. Specifically, Tenant may, but shall not be required to, undertake to do anything required to done by the Landlord at Landlord's cost and expense. In the event that the default cannot be cured within the specified time, but Landlord timely undertakes to cure same, the time period to cure may be extended for an additional 60 days. If a party hereto brings suit to recover possession of the Premises or money due under the Lease or suit for the breach of an obligation that the other party should have performed under the Lease and prevails, the non-prevailing party shall reimburse the prevailing party for expenses incurred in the action, including reasonable attorney fees. In the event, Tenant does abandon or vacate the Premises, Landlord may resort to legal process to evict Tenant and sue to recover damages subject to Landlord's effort to use reasonable efforts to mitigate its damages, it being understood that Tenant's failure to operate the business from the Premises shall not be construed to an abandonment or vacation of the premises provided Tenant continues to pay Minimum Rent and other charges under the Lease. Landlord agrees to use its best efforts to mitigate its changes.

24. **Personal Guarantee.** To induce Landlord to execute this Lease, INFUSYSTEM HOLDINGS, INC., a corporation organized under the Laws of the State of Delaware ("Guarantor") shall deliver to Landlord its guaranty of Tenant's obligations under this Lease in the form of Exhibit D attached hereto. If Guarantor fails to deliver such guaranty to Landlord,

simultaneously with delivery of this Lease to Landlord as executed by Tenant, Landlord shall have no obligation to enter into this Lease and Tenant shall have no rights or interests in the Premises or under this Lease. Within ten (10) days after any request therefore by Landlord, said Guarantor shall execute and deliver to Landlord or to any proposed Purchaser or Lender a written statement certifying that the Guaranty is unmodified and in full force and effect, together with a copy of Guarantor's most recent financial statements, if not already available online, or other reasonable financial information. In the event Guarantor refuses or fails to execute or deliver such a statement and/or financial statements or information, such refusal or failure shall constitute a default by Tenant under this Lease. If the Options to Renew the Lease are exercised, as provided for in Section 37 below, the Personal Guarantee shall remain in full force and effect.

25. **Representations And Warranties.** NONE, except Landlord warrants that all of its work set forth in section 11 shall be done in accordance with all local laws and building codes; shall utilize new, good quality construction materials; shall be undertaken and completed in a good and worker-like manner; and shall be guaranteed to be free from defect of labor and parts for a period of two (2) years (or such longer period as otherwise stated in the Lease) after the work has been completed. In addition, Landlord shall also assign to Tenant any rights that it has to any contractors' or manufacturers' warranties on building systems and components. Landlord agrees to complete its work set forth in section 11 above. Substantial completion requires that all municipal inspection of Landlord's work have occurred and have resulted in satisfactory reports. If the parties cannot agree that Landlord has completed its work, the parties agree to submit the matter to a mutually acceptable arbitrator whose decision shall be binding upon the parties and the cost of which be equally borne by the parties. Landlord shall supply signed unconditional waivers of lien and sworn statements to Tenant indicating that all laborers and material men have been paid in full at the time of completion; provided, however, Landlord shall have no responsibility to Tenant under the foregoing warranty unless Tenant shall furnish to Landlord written notice of the alleged defect and such written notice is received by Landlord before the expiration of the two (2) year warranty period; and Landlord shall have no responsibility to Tenant, or any third Party, for any damage caused by or through the negligence or intentional acts of Tenant, or any of its officers, directors, members, employees, agents, attorneys, invitees, licensees, successors and assigns, Except as otherwise provided herein, Landlord makes no other warranties or representations and all implied warranties are hereby disclaimed. Upon reasonable notice to Landlord, Tenant shall have the right to inspect the Premises prior to, during and/or after the construction of the leasehold improvements. Further, Tenant acknowledges that it has been in possession and occupation of the Premises prior to the commencement date of this Lease, and, except as otherwise provided for in regard to the leasehold improvements, accepts the Premises in an "AS IS" condition.

26. **Indemnification for Environmental Conditions.** Tenant shall at all times keep the Premises, including but not limited to the building, the land, the ground water and the air of the Property, and their surroundings, free of "hazardous substances," "hazardous materials," or equivalent, as defined by any and all present and future federal, state and local laws, ordinances, regulations, permits, guidance documents, policies, and any other requirement of governmental authorities relating to the health, safety, the environment or as to any hazardous substances or materials (collectively described "as defined by law" or "in compliance with the law"). Tenant shall not use, generate, manufacture, store, release, threaten to release or dispose of hazardous substances, hazardous materials, or equivalent, in, on or about the Premises, the building, the land, the ground water and the air of the property, or their surroundings; provided, however, Tenant may use and store on the Premises such types of materials and substances in such typical amounts as are reasonably and customarily used, stored or produced in the Tenant's industry provided that such use, storage or production is in compliance with the law. In no event shall Tenant dispose of, or permit the disposal of hazardous substances, materials, or equivalent, in any manner other than the manner permitted as defined by law and in compliance with the law.

Within ten (10) days of the execution of this Lease, Landlord shall provide to Tenant a recently completed Phase I Environmental Audit performed by Applied Science and Technology ("ASTI"). This Audit was completed at the time the property was purchased by Landlord ("Phase I Audit"). Likewise, at the conclusion of Tenant's tenancy, Landlord shall conduct, at its own cost and expense another Phase I Environmental Audit. This Audit shall be also conducted by ASTI or an environmental service group as may be reasonably acceptable to Landlord and Tenant. Within thirty (30) days from the conclusion of Tenant's tenancy, the environmental testing group shall submit its report to Landlord and Tenant. In the event that the Premises, including the building, the land, the ground water and the air of the Premises, and their surroundings, are not free from hazardous materials, as hereinbefore defined, and in the event that the hazardous materials was either caused by, or arose out of, or resulted from, or occurred in connection with, or grew out of, or was in any way related to Tenant's occupancy or use of the Premises, (regardless of when such circumstances are first discovered and regardless of whether or not such circumstances were actually known by Tenant),

Tenant agrees that it will indemnify, defend and hold harmless Landlord, its officers, directors, members, employees, agents, attorneys, invitees, licensees, successors and assigns, against all obligations and liabilities ("Damages") arising out of claims made or actions brought as a result of hazardous substances, hazardous materials, or equivalent, as defined by law, in, on or about the Premises, the building, the land, the ground water and the air of the Property, or their surroundings. "Damages" under this Agreement shall include any and all injury or loss either to person (bodily injury or wrongful death), property (real or personal) on the Premises, the building, the land upon which it is located, the ground water of the Property, the air of the

Property, or surroundings, expenses of remediation, claims by third parties for indemnification or contribution for their remedial expenses, contract rights, enforcement actions, fines, penalties, consent decrees, administrative or court orders or settlements.

a. Indemnification does not apply to any such obligations and liabilities arising from the independent negligent acts or omissions or willful misconduct of Landlord.

b. Tenant is required to promptly notify Landlord if and when 1) any release occurs, 2) any hazardous substances, hazardous materials, or equivalent, are discovered, and/or 3) any notice is received from a public agency concerning environmental issues that may trigger indemnification under this Agreement.

27. **Financial Statements.** Tenant is a publicly traded company on the AMEX; and, as such, Tenant's Financial Statements are currently available to Landlord online. However, if Tenant's publicly traded status changes or if Tenant's Financial Statements are no longer available to Landlord online, Tenant shall, upon request, but no more than once per calendar year, provide Landlord and/or Landlord's mortgagee with a copy of same. Landlord agrees to keep all nonpublic information and documentation submitted by Tenant under this Lease in strictest confidence. This information will only be shared with Landlord's accountants, attorneys, and Landlord's lender.

28. **Access to Premises.** Landlord may enter the Premises during normal business hours after prior notice unless in the event of an emergency, wherein Landlord may enter the Premises at anytime. In the event of a substantial repair, Tenant may elect to have said repair made after normal business hours. The Landlord may use any part of the Premises to install, maintain, use, repair, or replace any mechanical equipment serving the Premises.

29. **Waiver of Subrogation.** Landlord and Tenant hereby waive any and all rights of recovery against the other, or against the members, officers, employees, agents, representatives, successors and assigns of the other party for loss or damage to its property or the property of others under its control if such loss or damage is covered by any insurance policy in force (whether or not described in this Leas) at the time of such loss or damage; unless the injury or damage shall have been caused by the gross negligence, willful misconduct or intentional acts of the other party and/or if the insurance policy in force is not sufficient to cover the loss or damage.

30. **Waiver.** Any failure of the Landlord or Tenant to insist on strict performance of any provisions of this Lease shall not be deemed a waiver of the provisions of the Lease in any subsequent default. This Lease may not be changed, modified, or discharged except in writing signed by both parties.

31. **Notices.** All notices under this Lease shall be in writing and shall be deemed given when they are either delivered personally or mailed by certified or registered mail to the receiving party at the address stated below or at an address furnished to the other party in writing during the term of this Lease.

TO TENANT:

Infusystem, Inc.
Att: Jonathan P. Foster, CFO
31700 Research Park Drive
Madison Heights, MI 48071

TO LANDLORD:

Research Park Development Co, LLC
Att: Edward Sherman, Bill Kemp & Paul S. Hoge
1000 E. Mandoline
Madison Heights, Michigan 48071

32. **Quiet enjoyment.** Landlord covenants that as long as Tenant pays the rent on a timely basis and when due and complies with the other provisions of this Lease, Landlord shall not disturb Tenant's tenancy and Tenant may quietly enjoy the Premises for the full term of this lease.

33. **Subordination to mortgages.** Tenant subordinates all its interests in the leasehold to the liens of any mortgages now or later placed on any property of which the Premises are a part. At Landlord's request, Tenant shall sign any and all documents necessary to effectuate this subordination. Notwithstanding this subordination, Tenant's possession of the Premises shall not be disturbed by any mortgagee or holder of a note secured by a mortgage now or later placed on the Premises unless Tenant defaults on a provision of the Lease and Tenant's possession is lawfully terminated in accordance with the provisions of the Lease. If Landlord requests Tenant to execute an estoppel letter, non-disturbance agreement, or similar certificate or agreement, Tenant shall not be obligated to execute and deliver such document(s) more than once in any six (6) month period unless Landlord pays the attorney fees incurred by Tenant in responding to such request.

34. **Security deposit.** $18,100.00, transferred from existing lease. Except as provided for herein, Landlord shall hold the Security Deposit, without liability for interest, as security for the Tenant's faithful performance of all the terms, covenants, and conditions of this Lease. If Tenant fails to keep and perform any of the terms, covenants and conditions of this Lease, then Landlord, at its option, may appropriate and apply the entire Security Deposit, or as much as may be necessary, to compensate Landlord for losses or damages it sustains due to Tenant's breach. If the entire Security Deposit, or any portion thereof, is appropriated and applied by Landlord to pay overdue rent or other sums due and payable to Landlord by Tenant under this Lease, then Tenant shall, upon the written demand of Landlord, immediately remit to Landlord a

sufficient amount in cash to restore the Security Deposit to the original sum deposited. Tenant's failure to do so within five (5) days from receipt of said written demand shall constitute breach of the Lease. If Tenant has complied with all of the terms, covenants and conditions of this Lease, Tenant shall vacate the Premises after the Lease term, and return the Premises to Landlord in the same condition as received, normal wear and tear excluded. In such event, Landlord shall return the Security Deposit to Tenant within a reasonable period of time, not to exceed 60 days from the end of the Lease. Further, Landlord shall not be obligated to keep the Security Deposit in a separate fund, but may mix the said Security Deposit with its own funds.

Notwithstanding the foregoing, upon successful completion of the thirty-sixth (36th) month of the Lease, upon notice from Tenant, Landlord shall, within thirty (30) days thereof, return the Security Deposit to Tenant; provided, however, nothing herein nullifies Tenant's obligation to vacate the Premises after the Lease term, and return the Premises to Landlord in the same condition as received, normal wear and tear excluded.

35. **Surrender of Premises.** Upon termination of this Lease, Tenant shall surrender the Premises in a substantially similar condition as existed on the commencement date of the Lease, excepting reasonable wear and tear; damage by the elements, fire and other casualty, alterations or additions permitted under this Lease and acts of abutting property owners and person over whom Tenant has no control.

36. **Holding over.** If Tenant remains in possession of the Premises after the Lease expires or the Lease is terminated, Tenant shall be deemed to occupy the Premises on a month-to-month basis and be subject to all the terms of this Lease as they may apply to a month-to-month tenancy, with rent at an amount equal to 120% of the last month's rent under this Lease. Either party may cancel such a tenancy on 30 days written notice to the other party.

37. **Options to Renew.** Tenant is hereby granted two (2) five (5) year Options to Renew the Lease (the "First Option" and "Second Option," respectively). The First Option and Second Option shall be subject to the provisions herein and subject to the "Fair Market Rent Exhibit" (Exhibit E).

For the First Option, the term shall commence on October 1, 2019 and shall continue until September 30, 2024 (the "First Option term"). During the First Option term, Tenant shall pay Landlord rent in accordance with Exhibit E; provided, however, under no circumstances shall the rent be less than the rent paid during the last year of the Lease (months 70 to 81). Tenant shall notify Landlord of its intent to exercise the First Option, in writing, by certified mail, return receipt requested, at least one hundred eighty (180) days (by April 1, 2019) prior to the end of the 81st month of the Lease; otherwise, said First Option shall be null and void. In addition, the First Option shall not be exercisable if Tenant has an existing uncured default and is not then in compliance with the provisions of Exhibit E. Further, exercise of the First Option and completion of the First Option term is a condition precedent to the

exercise of the Second Option. Except as modified herein, all of the same terms and conditions contained in this Lease shall be applicable during the First Option term.

For the Second Option, the term shall commence on October 1, 2024 and shall continue until September 30, 2029. During the Second Option term, Tenant shall pay Landlord rent in accordance with Exhibit E; provided, however, under no circumstances shall the rent be less than the rent paid during the First Option term (months 130 to 141). Tenant shall notify Landlord of its intent to exercise the Second Option, in writing, by certified mail, return receipt requested, at least one hundred eighty (180) days (by April 1, 2024) prior to the end of the 141st month of the Lease; otherwise, said Second Option shall be null and void. In addition, the Second Option shall not be exercisable if Tenant has an existing uncured default and is not then in compliance with the provisions of Exhibit E. Except as modified herein, all of the same terms and conditions contained in this Lease shall be applicable during the Second Option term.

During the Options terms, Tenant shall continue to comply with all of the provisions herein, including Section 14 above regarding Tenant's payment of the increase in the Operational Expenses with a Base Year of 2013.

38. **Option to Cancel Lease:** Tenant is hereby granted one (1) Option to Cancel the Lease (the "Option to Cancel"), on the terms and conditions stated herein. Only months 70 through 81 are subject to cancellation. In order to exercise the Option to Cancel, Tenant shall notify Landlord, in writing (the "Notice"), and shall deliver said Notice to Landlord, by either personal service or by certified mail, return receipt requested, at Landlord's address set forth above, or at any subsequent address that Landlord provides in writing to Tenant. Said Notice shall be delivered, by the methods described above, not later than April 1, 2018 [which is six (6) months prior to the expiration of the 69th month, being September 30, 2017; otherwise, said Option shall be null and void. The Notice shall be signed by Tenant and shall restate in the body of the Notice that the Lease is hereby cancelled as of October 1, 2018. Notwithstanding the foregoing, the Option to Cancel shall not be exercisable if Tenant has an existing uncured default, or after termination of the Lease, or after abandonment or surrender of the Premises by Tenant and the remaining twelve (12) months of the Lease term shall continue as provided for herein. Further, the Option to Cancel is not assignable and may only be exercised by Tenant (including a successor corporation or other entity due to a merger or acquisition of Tenant by such successor) and by no other person or entity. If Tenant properly exercises the Option to Cancel, as described above, Tenant shall continue to pay the monthly rent, from April 1, 2018 through September 30, 2018, as specified in Section 2 above and shall otherwise comply with all terms and conditions of the Lease. In addition, Tenant shall pay a cancellation penalty to Landlord equal to all unamortized tenant improvements, free rent, and leasing commissions, which penalty shall be payable upon notice of termination (April 1, 2018) in the total amount of Two Hundred Thousand and 00/100 ($200,000.00) Dollars.

If Tenant properly exercises the Option to Cancel, as described above, and pays the cancellation penalty, the remaining twelve (12) months of the Lease shall be cancelled. In such an event, Tenant agrees that Landlord may show the Premises to prospective Tenants and may display in and about the Premises the usual and customary "TO RENT" or "TO LEASE" signs.

39. **Recording.** Tenant shall not record this Lease without written consent from Landlord. However, on the request of either party, the other shall join in signing a Memorandum of this Lease to be recorded. The Memorandum shall describe the parties, the Premises, and the provisions of the Lease and shall incorporate the Lease by reference. It shall be accompanied by a Discharge of the Memorandum of Lease, which Discharge shall be held in escrow pending the conclusion of Tenant's occupancy.

40. **Captions and Headings.** The captions and headings used in this Lease are intended only for convenience and are not to be used in construing the lease.

41. **Applicable Law.** The substantive laws of the State of Michigan shall govern the validity, construction, enforcement and interpretation of this Lease. Further, if any provision of this Lease is unenforceable, the other provisions of the Lease shall remain valid and enforceable to the fullest extent permitted by law.

42. **Successors.** The provisions of this Lease shall benefit and bind Landlord, Landlord's agents, successors and assigns and Tenant, Tenant's agents, successors and permitted assigns.

43. **Prohibition of Partnerships.** The parties disclaim any intentions to enter into a joint venture or a partnership with each other.

44. **Trade Fixtures.** All trade fixtures and movable equipment installed by Tenant in connection with its business shall remain the property of Tenant and may be removed when this Lease expires. Tenant shall repair any damage caused by the removal of such fixtures and shall restore the Premises to the condition at the time this Lease is signed.

45. **Mechanics' Liens.** Tenant shall promptly pay for any labor, services, materials, supplies or equipment furnished to Tenant in or about the Premises. Tenant shall keep the Premises, including the building and the land, free from any liens arising out of any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to Tenant. Tenant shall take all steps permitted by law in order to avoid the imposition of any lien. Should any such lien or notice of such lien be filed against the Premises, the building or the land, Tenant shall discharge the same by bonding or otherwise within thirty (30) days after Tenant has notice that the lien or claim is filed regardless of the validity of such lien or claim.

46. **Indemnity**. Tenant agrees to indemnify and defend Landlord, its agents, officers, directors, members, employees, agents, attorneys, invitees, licensees, successors and assigns, for any liability, loss, damage, cost, or expense (including attorneys fees) based on any claim, demand, suit, or action by any party with respect to any personal injury (including death) or property damages, from any cause, with respect to Tenant or the Premises, except for liability resulting from third parties, from circumstances beyond Tenant's control and from the intentional or gross negligent acts or omissions of Landlord, its agents, officers, directors, members, employees, agents, attorneys, invitees, licensees, successors and assigns.

47. **Brokerage Commission**. Tenant represents and warrants that it has dealt directly with only one Broker, Randall Tarnow, of Mohr Partners, Inc., as Tenant's Broker in connection with this Lease. Landlord agrees to pay Tenant's Broker an agreed upon brokerage fee, which fee shall be specified in a side letter executed and signed by Landlord and Tenant's Broker. Landlord indemnifies, defends and holds Tenant harmless from the brokerage fee due and owing to Tenant's Broker. Tenant indemnifies, defends and holds Landlord harmless from any and all claims of any other Brokers claiming to have represented Tenant in connection with this Lease.

48. **Broker Disclaimer and Disclosure**. This Lease has been prepared by Landlord and Landlord's attorney for submission to Tenant and Tenant's attorney for review and approval. No representation or recommendation is made by Landlord, Landlord's attorney or by Signature Associates, Inc., as to the legal sufficiency, legal effect, or tax consequences of this Lease, or the transaction relating thereto; the parties shall rely solely upon the advice of their own legal counsel as to the legal sufficiency, legal effect and tax consequences of this Lease. Further, Paul S. Hoge discloses that he is an associate broker with Signature Associates and a partial owner/member of the Landlord, Research Park Development Co., LLC. Notwithstanding the foregoing, Signature Associates is not entitled to a brokerage commission on this transaction and Landlord indemnifies Tenant therefrom.

49. **Commencement Date.** The commencement date of this Lease shall be determined as provided for in Section 3 above.

50. **Landlord's Work.** None, except as stated in Section 11 above.

51. **Transmission, Counterparts and Authority**: The parties acknowledge and agree that this Lease may be signed and forwarded by facsimile or email transmission and such facsimile or email transmission shall have the same binding and legal effect as original signatures. Further, this Addendum may be signed in counterparts, all of which when taken together, shall constitute one full and complete document. Further, by execution of this Addendum, the undersigned represent and warrant to each other that they have authority to act for their respective parties of interest, Landlord and Tenant.

52. **Singular; Plural**. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

53. **Entire Agreement; Amendments**. This Lease represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. This Lease cannot be amended except by agreement in writing by the party against whom enforcement of the amendment is sought.

54. **Exhibits**. All the forms attached to Lease are incorporated in the Lease and made a part hereof and each party has reviewed and approved the same.

55. **Time**. Time shall be deemed of the essence in this Lease.

56. **Other Charges.** None.

IN WITNESS WHEREOF, the Parties have hereunto executed this Lease Agreement on the day and year first above written.

LANDLORD:
Research Park Development Co, LLC
a Michigan Limited Liability co.

/s/ Edward Sherman
By: Edward Sherman, Co-Trustee
Its: Member

/s/ William T. Kemp
By: William T. Kemp, Trustee
Its: Member

/s/ Paul S. Hoge
By: Paul S. Hoge, Trustee
Its: Member

/s/ Janann A. Hoge
By: Janann A. Hoge, Trustee
Its: Member

TENANT:
Infusystem, Inc.
a California corporation

/s/ Jonathan P. Foster
By: Jonathan P. Foster, CPA
Its: Chief Financial Officer

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

On this 17th day of September 2012, before me a Notary Public in and for said County, appeared Edward Sherman, Co-Trustee, William T. Kemp, Trustee, Paul Hoge, Trustee, Janann A. Hoge, Trustee, all Members of Research Park Development Co, LLC, a Michigan Limited Liability Company, to me personally known, who, being by me sworn, did say that they are Members of the Landlord limited liability company named in the Lease, that they have authority to execute the within instrument on behalf of the LLC, that they executed the within instrument, that said instrument was signed and sealed and constituted their free act and deed on behalf of said Landlord.

/s/ Barbara J. Newman
Notary Public
County, Michigan
Acting in Oakland County, Michigan
My Commission Expires: November 19, 2014

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

On this 13th day of September 2012, before me a Notary Public in and for said County, appeared Jonathan P. Foster, CPA, Chief Financial Officer of Infusystem, Inc., a California corporation, to me personally known, who, being by me sworn, did say that he is Chief Financial Officer of the Tenant corporation named in the Lease, that he has authority to execute the within instrument on behalf of the corporation, that he executed the within instrument, that said instrument was signed and sealed and constituted his free act and deed on behalf of said Tenant.

/s/ Marnie A. Pasmanter
Notary Public
County, Michigan
Acting in Oakland County, Michigan
My Commission Expires: December 14, 2014

EXHIBIT A

EXHIBIT "A"

LEGAL DESCRIPTION

Land in the City of Madison Heights, County of Oakland, State of Michigan, described as: Part of Lots 34 through 37 inclusive, of UNIVERSITY PLACE INDUSTRIAL PARK NO. 2 SUBDIVISION of part of the South ½ of Section 1, Town 1 North, Range 11 East, City of Madison Heights, Oakland County, Michigan, as recorded in Liber 183, pages 18 through 22 of the Oakland County Records, being more particularly described as beginning at the Southeast corner of Lot 37 and the North line of Tech Row (60 Feet wide) thence South 89 degrees 47 minutes 13 seconds West, along said North line 304.51 feet; thence 47.66 feet along the arc of a curve to the right (Radius equals 30.00 feet, central angle of 91 degrees 01 minutes 16 seconds long chord bears North 44 degrees 42 minutes 09 seconds West 42.80 feet); thence North 00 degrees 48 minutes 29 seconds East, along the East line of Research Park Drive (60 feet wide) 285.68 feet, thence South 89 degrees 11 minutes 31 seconds East, 329.48 feet; thence South 00 degrees 12 minutes 47 seconds East 310.30 feet to the point of beginning.

EXHIBIT B

EXHIBIT "B"

RENT SCHEDULE

NUMBER	MONTHS	YEAR	PSF/GROSS	MONTHLY RENT
01	January	2013	$0	$0
02	February	2013	$0	$0
03	March	2013	$0	$0
04	April	2013	$11.00	$21,981.67
05	May	2013	$11.00	$21,981.67
06	June	2013	$11.00	$21,981.67
07	July	2013	$11.00	$21,981.67
08	August	2013	$11.00	$21,981.67
09	September	2013	$11.00	$21,981.67
10	October	2013	$11.00	$21,981.67
11	November	2013	$11.00	$21,981.67
12	December	2013	$11.00	$21,981.67

NUMBER	MONTHS	YEAR	PSF/GROSS	MONTHLY RENT
13	January	2014	$11.00	$21,981.67
14	February	2014	$11.00	$21,981.67
15	March	2014	$11.00	$21,981.67
16	April	2014	$11.35	$22,681.08
17	May	2014	$11.35	$22,681.08
18	June	2014	$11.35	$22,681.08
19	July	2014	$11.35	$22,681.08
20	August	2014	$11.35	$22,681.08
21	September	2014	$11.35	$22,681.08
22	October	2014	$11.35	$22,681.08
23	November	2014	$11.35	$22,681.08
24	December	2014	$11.35	$22,681.08

NUMBER	MONTHS	YEAR	PSF/GROSS	MONTHLY RENT
25	January	2015	$11.35	$22,681.08
26	February	2015	$11.35	$22,681.08
27	March	2015	$11.35	$22,681.08
28	April	2015	$0	$0
29	May	2015	$0	$0
30	June	2015	$0	$0
31	July	2015	$11.70	$23,380.50
32	August	2015	$11.70	$23,380.50
33	September	2015	$11.70	$23,380.50
34	October	2015	$ 11.70	$ 23,380.50
35	November	2015	$11.70	$23,380.50
36	December	2015	$11.70	$23,380.50

NUMBER	MONTHS	YEAR	PSF/GROSS	MONTHLY RENT
37	January	2016	$11.70	$23,380.50
38	February	2016	$11.70	$23,380.50
39	March	2016	$11.70	$23,380.50
40	April	2016	$11.70	$23,380.50
41	May	2016	$11.70	$23,380.50
42	June	2016	$11.70	$23,380.50
43	July	2016	$12.05	$24,079.92
44	August	2016	$12.05	$24,079.92
45	September	2016	$12.05	$24,079.92
46	October	2016	$12.05	$24,079.92
47	November	2016	$12.05	$24,079.92
48	December	2016	$12.05	$24,079.92

NUMBER	MONTHS	YEAR	PSF/GROSS	MONTHLY RENT
49	January	2017	$12.05	$24,079.92
50	February	2017	$12.05	$24,079.92
51	March	2017	$12.05	$24,079.92
52	April	2017	$12.05	$24,079.92
53	May	2017	$12.05	$24,079.92
54	June	2017	$12.05	$24,079.92
55	July	2017	$0	$0
56	August	2017	$0	$0
57	September	2017	$0	$0
58	October	2017	$12.40	$24,779.33
59	November	2017	$12.40	$24,779.33
60	December	2017	$12.40	$24,779.33

NUMBER	MONTHS	YEAR	PSF/GROSS	MONTHLY RENT
61	January	2018	$12.40	$24,779.33
62	February	2018	$12.40	$24,779.33
63	March	2018	$12.40	$24,779.33
64	April	2018	$12.40	$24,779.33
65	May	2018	$12.40	$24,779.33
66	June	2018	$12.40	$24,779.33
67	July	2018	$12.40	$24,779.33
68	August	2018	$12.40	$24,779.33
69	September	2018	$12.40	$24,779.33
70	October	2018	$12.51	$25,000.00
71	November	2018	$12.51	$25,000.00
72	December	2018	$12.51	$25,000.00

NUMBER	MONTHS	YEAR	PSF/GROSS	MONTHLY RENT
73	January	2019	$12.51	$25,000.00
74	February	2019	$12.51	$25,000.00
75	March	2019	$12.51	$25,000.00
76	April	2019	$12.51	$25,000.00
77	May	2019	$12.51	$25,000.00
78	June	2019	$12.51	$25,000.00
79	July	2019	$12.51	$25,000.00
80	August	2019	$12.51	$25,000.00
81	September	2019	$12.51	$25,000.00

EXHIBIT C

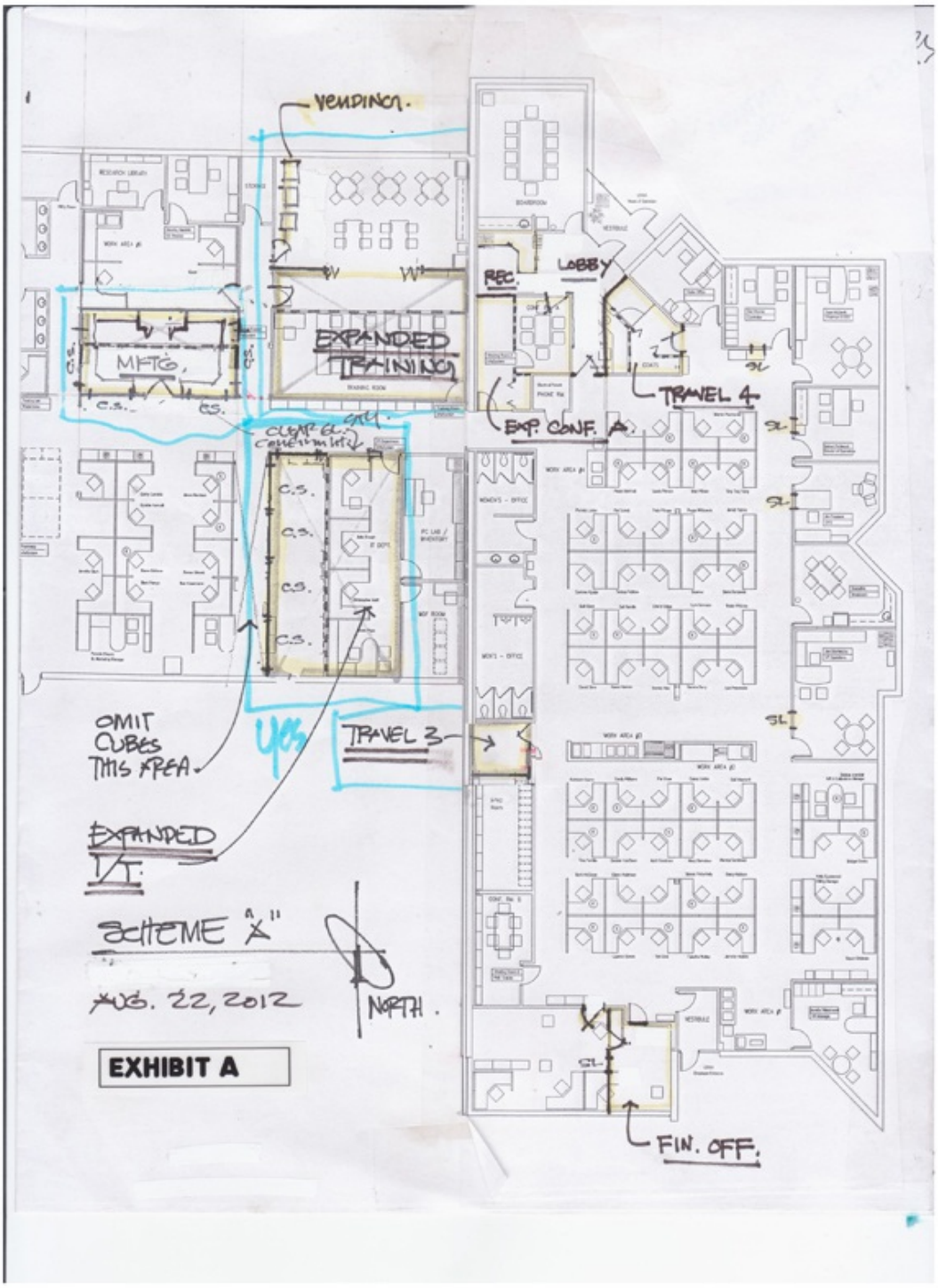
VENDING.
EXPANDED TRAINING
MTG.
C.S.
REC.
LOBBY
TRAVEL 4
EXP. CONF. A.
TRAVEL 3
OMIT CUBES THIS AREA.
EXPANDED
SCHEME "A"
AUG. 22, 2012
NORTH.
EXHIBIT A
FIN. OFF.

EXHIBIT C, PAGE 2
SCOPE OF WORK CLARIFICATIONS
ATTACHMENT TO LEASE AGREEMENT BETWEEN
KEMP & SHERMAN AND INFUSYSTEM

1. Renovate existing space in accordance with Exhibit A – Floor Plan Sketch "Scheme A"; dated August 22, 2012.

2. Work shall be limited, *except as noted below*, to the areas indicated on the sketch shown on Exhibit A, identified as: MKT'G. (Marketing Area), EXPANDED TRAINING, EXPANDED I/T and TRAVEL 3, TRAVEL 4, EXP CONF. "A", REC (Reception), LOBBY, FIN. OFF. (Finance Office)

3. Demolish, construct new or alter existing interior partitions, doors, ceilings, electrical, mechanical and plumbing as required to accommodate the Proposed Rooms/Offices/Areas described above and shown on Exhibit A – Floor Plan Sketch "Scheme A".

4. Add electrical and necessary cabling "drops" for wall mounted flat screens (screens to be provided by tenant) in Exp. Conf. A, CFO, CEO, VP of Ops, Main conference room, and in four other areas to be designated by tenant, which may be outside of the areas noted in 2 above.

5. Existing partitions, doors, ceilings, electrical, mechanical and plumbing items will remain, reused and or modified as required to accommodate the Rooms/Offices/Areas described above and shown on Exhibit A – Floor Plan Sketch "Scheme A".

6. Re-use/relocate, existing office doors when appropriate or provide new office doors to match existing as close as possible. In addition, a 15' to 18' wide folding, "accordion style" door will be provided between the existing Lunch/Break Room and the Proposed Expanded Training Room. A 6 foot wide bi-fold door is included in the Marketing Area.

7. Provide new interior glass side lite at existing offices as indicated by the symbol "SL" as shown.

8. Provide new interior glass clear story lite at existing offices as indicated by the symbol "CS" as shown.

9. Construct new Reception Area Greeters Desk and millwork to be similar to existing to be removed. (Re-use existing components when appropriate.

10. Existing Toilet Rooms – throughout the building shall be rehabilitated as follows:
§ Clean and repaint walls and ceilings (if/where drywall)
§ Thoroughly clean all tile and grout, reseal grout.
§ Clean, repair and or replace broken fixtures, *partitions*, faucets, etc. as required.

11. Modify existing and/or provide new Acoustical Ceiling grid and pads as required within renovated Rooms/Offices/Areas described above and shown on Exhibit A – Floor Plan Sketch "Scheme A".

12. All other existing acoustical ceilings shall remain *except in all areas any damaged ceiling tiles will be replaced*.

13. Paint all new and "*affected only*" existing interior "walls only".

14. Work in, or construction within, other areas is *excluded*.

15. New carpet or VCT with vinyl base will be provided within the New Areas only.

16. Modify existing Fire Protection, Plumbing, HVAC and Electrical System(s) (i.e. piping, sprinkler heads, ductwork, grilles, registers, diffusers, wiring, lights, switches, etc.) as required to accommodate the proposed lay-out.

17. Electrical work shall include the appropriate outlets, switches, lighting, fixtures, exist signs, etc. as what is commonly accepted in a typical commercial Office Space.

18. All other millwork, furniture, fixtures, equipment, other than noted above is all *excluded*.

19. Carpet – Remove and replace heavily stained or damaged carpet as necessary with material to match existing if/when available. If not available, selectively replace larger areas with the appropriate "accent" carpet, as approved by the tenant.

EXHIBIT D

EXHIBIT "D"

GUARANTY

THIS GUARANTY is made this 13th day of September, 2012, by INFUSYSTEM HOLDINGS, INC., a Delaware corporation ("Guarantor").

BACKGROUND:

A. **RESEARCH PARK DEVELOPMENT CO, LLC,** a Michigan limited partnership ("Landlord) with offices at 1000 East Mandoline, Michigan 48071, is about to enter into a certain lease (the "Lease") with **INFUSYSTEM, INC.**, a California corporation ("Tenant"), for approximately 23,980 rentable square feet of space in Landlord's building located at 31700 Research Park Drive, Madison Heights, Michigan, as more particularly described in the Lease (the "Premises").

B. Guarantor is the parent corporation of Tenant and therefore benefits directly from the Lease.

C. Landlord has agreed to grant, execute and deliver the Lease to Tenant in consideration, among other things, of the covenants and obligations made and assumed by Guarantor as herein set forth.

AGREEMENT:

In order to induce Landlord to execute the Lease and in further consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration paid by Landlord to Guarantor, intending to be legally bound hereby, Guarantor irrevocably and unconditionally agrees as follows:

1. Guarantor hereby guarantees, without the necessity of prior notice, the full and prompt payment of all rent and additional rent and any and all other sums payable by Tenant under the Lease, and the due and punctual performance of all of Tenant's other obligations thereunder.

2. Guarantor hereby guarantees, without the necessity of prior notice, the due and punctual payment in full of any and all loss, damages or expenses incurred by Landlord and arising out of any default by Tenant in performing any of its obligations under the Lease, including but not limited to, all reasonable and actual attorneys' fees which Landlord incurs as the result of the default of Tenant or the enforcement of this Guaranty.

3. Landlord may, in its sole discretion, without notice to Guarantor and without in any way affecting or terminating any of Guarantor's obligations and liabilities hereunder, from time to time, (a) waive compliance with the terms of the Lease or any default thereunder; (b) modify or supplement any of the provisions of the Lease; (c) grant any extension or renewal of the terms of the Lease; (d) effect any release, compromise or settlement in connection therewith; (e) assign or otherwise transfer any or all of Landlord's interest in the Lease; or (f) accept or discharge any other person as a guarantor of any or all of the Tenant's obligations under the provisions of the Lease.

4. Guarantor's obligations hereunder (a) shall be unconditional, irrespective of the enforceability of the Lease or any other circumstance which might otherwise constitute a discharge of a guarantor or Tenant at law or in equity; (b) shall be primary; (c) shall not be conditioned upon Landlord's pursuit of any remedy which it has against Tenant or any other person; and (d) shall survive and shall not be diminished, impaired or delayed in connection with (i) any bankruptcy, insolvency, reorganization, liquidation or similar proceeding relating to Tenant, its properties or creditors or (ii) any transfer, assignment or termination of Tenant's interest under the Lease.

5. All rights and remedies of Landlord under this Guaranty, the Lease, or by law are separate and cumulative, and the exercise of one shall not limit or prejudice the exercise of any other such rights or remedies. Any waivers or consents by Guarantor as set forth in this Guaranty shall not be deemed exclusive of any additional waivers or consents by Guarantor which may exist in law or equity. Further, if Tenant assigns the Lease, with or without Landlord's consent pursuant to section 16 of the Lease Agreement, this Guaranty shall remain in full force and effect.

6. Guarantor hereby waives trial by jury in any action brought by Landlord under or by virtue of this Guaranty. This covenant is made by Guarantor as a further inducement to Landlord to enter into the Lease.

7. Guarantor agrees to deliver to Landlord a written instrument, duly executed and acknowledged certifying that this Guaranty is in full force and effect, that Landlord is not in default (if this is in fact the case) in the performance of any of its obligations under the Lease and stating any other fact or certifying any other condition reasonably requested by Landlord or its assignees or by any mortgagee or prospective mortgagee or their assignees or by any purchaser of the property which is the subject of the Lease or any interest in such property including, but not limited to, stating that it is understood that such written instrument may be relied upon by any of the foregoing parties. The foregoing instrument shall be furnished within ten (10) days after receipt of Landlord's written request which may be made at any time and from time to time and shall be addressed to Landlord and any mortgagee, prospective mortgagee, purchaser or other party specified by Landlord.

8. Guarantor, at any time and from time to time after Landlord's written request, agrees to promptly furnish reasonable financial information to Landlord's mortgagee, prospective mortgagee, assignee or purchaser. The foregoing notwithstanding, Guarantor shall not be required to provide financial information if Guarantor continues to file financial statements with the U.S. Securities and Exchange Commission.

9. In the event Guarantor pays any sum to or for the benefit of Landlord pursuant to this Guaranty, Guarantor shall have no right of contribution,

indemnification, exoneration, reimbursement, subrogation or other right or remedy against or with respect to Tenant, any other guarantor, or any collateral, whether real, personal or mixed, securing the obligations of Tenant to Landlord, and Guarantor hereby waives and releases all and any such rights which it may now or hereafter have. The provisions of the previous sentence shall not apply at such time as Landlord has been paid in full for all amounts owing under the Lease.

10. If Guarantor advances any sums to Tenant or its successors or assigns or if Tenant or its successors or assigns shall hereafter become indebted to Guarantor, such sums and indebtedness shall be subordinate in all respects to the amounts then or thereafter due and owing to Landlord by Tenant; provided, however, that Tenant shall be entitled to repay Guarantor under such indebtedness or advance so long as Tenant is not in breach of its obligations under the Lease.

11. This Guaranty shall be binding upon Guarantor, and Guarantor's heirs, administrators, executors, successors and assigns, and shall inure to the benefit of Landlord and its heirs, successors and assigns. Without limiting the generality of the preceding sentence, Guarantor specifically agrees that this Guaranty may be (a) freely assigned by Landlord and (b) enforced by Landlord's mortgagee.

12. The liability of the Guarantor hereunder, if more than one, shall be joint and several. For purposes of this instrument the singular shall be deemed to include the plural, and the neuter shall be deemed to include the masculine and feminine, as the context may require.

13. If any provision of this Guaranty is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Guaranty shall remain in full force and effect and shall be liberally construed in favor of Landlord in order to effect the provisions of this Guaranty.

14. Guarantor agrees that this Guaranty shall be governed by and construed according to the laws of the State in which the Premises are located and that Guarantor is subject to the jurisdiction of the Court of the County or relevant political subdivision in which the Premises are located.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed, under seal, as of the day and year first above written.

INFUSYSTEM HOLDINGS, INC.

By: /s/ Jonathan P. Foster
Print Name: Jonathan P. Foster
Print Title: Chief Financial Officer

EXHIBIT E

EXHIBIT "E"

FAIR MARKET RENT

(a) Provided that Landlord has not given Tenant notice of an existing uncured default more than two (2) times in the immediately preceding twelve (12) month period, that there then exists no uncured Event of Default by Tenant under this Lease, nor any event for which Tenant has received written notice that with the passage of time would constitute an Event of Default, or that Tenant has abandoned or surrendered the Premises, and that Tenant is the sole occupant of the Premises, Tenant shall have the right and option to extend the Term of this Lease for the **First** (5-year) **Option term,** as described in the Lease, exercisable by Tenant by giving Landlord prior written notice (also as described in the Lease), on or before that date (April 1, 2019) that is six (6) months prior to the Expiration Date of the **Original Lease term** (September 30, 2019), of Tenant's election to extend the term of this Lease; it being agreed that time is of the essence and that, **except as provided for in section 16 of the Lease,** this Option is personal to Tenant, and is non-transferable to any other assignee or to any sublessee (regardless of whether any such assignment or sublease was made with or without Landlord's consent) or other party.

(b) Provided that Landlord has not given Tenant notice of an existing uncured default more than two (2) times in the immediately preceding twelve (12) month period, that there then exists no uncured Event of Default by Tenant under this Lease, nor any event for which Tenant has received written notice that with the passage of time would constitute an Event of Default, or that Tenant has abandoned or surrendered the Premises, and that Tenant is the sole occupant of the Premises, Tenant shall have the right and option to extend the Term of this Lease for the **Second** (5-year) **Option term,** as described in the Lease, exercisable by Tenant by giving Landlord prior written notice (also as described in the Lease), on or before that date (April 1, 2024) that is six (6) months prior to the Expiration Date of the **First Lease term** (September 30, 2024), of Tenant's election to extend the term of this Lease; it being agreed that time is of the essence and that**, except as provided for in section 16 of the Lease,** this Option is personal to Tenant and is non-transferable to any other assignee or to any sublessee (regardless of whether any such assignment or sublease was made with or without Landlord's consent) or other party.

(c) such extensions shall be under the same terms and conditions as provided in this Lease, including the requirements of Section 37 of the Lease, except as follows:

(i) the **First Option term** shall begin on the day (October 1, 2019)after the Expiration Date of the **Original Lease term** (September 30, 2019) and thereafter the Expiration Date (September 30, 2024) shall be deemed to be the date that is Five (5) years after the Expiration Date of the **Original Lease term;**

(ii) the **Second Renewal term** shall begin on the day (October 1, 2024)after the Expiration Date of the **First Option term** (September 30, 2024) and

thereafter the Expiration Date (September 30, 2029) shall be deemed to be the date that is Five (5) years after the Expiration Date (September 30, 2024) of the **First Option term;** there shall be no further options to extend; and

(iii) except as otherwise provided for below, the Minimum Annual Rent for each year of the **First and Second Option terms** shall be equal to ninety (90%) percent of the fair market rental value of the Premises and annual increases in fair market rental value (collectively, the "FMR") applicable at the time Tenant exercises such Option (but in no event prior to the date that is six (6) months before the **First Option term Expiration Date** or **Second Option term Expiration Date,** respectively). Landlord shall take into account current market terms, conditions and concessions for similar renewal transactions in similar single-tenant industrial buildings that are then generally available in the Southeast Michigan market area at the time Tenant exercises such option (but in no event prior to the date that is six (6) months before the then current Expiration Dates), including market concessions, such as improvement allowances and free rent periods available in such market at the time Tenant exercises such Options (but in no event prior to the date that is six (6) months before the **First Option term Expiration Date** or **Second Option term Expiration Date,** respectively).

(d) Within fifteen (15) days after Landlord receives notice of Tenant's exercise of the option to extend the term of this Lease, but in no event prior to the date that is six (6) months before the **First Option term Expiration Date** or **Second Option term Expiration Date,** respectively, Landlord will give notice to Tenant (the "Rent Notice") of Landlord's opinion of the FMR. If Tenant does not respond to the Rent Notice within fifteen (15) days after receiving it, Landlord's opinion of the FMR shall be deemed accepted as the Minimum Annual Rent due for each Lease Year of the additional option terms. If, during such fifteen (15) day period, Tenant gives Landlord notice that Tenant contests Landlord's determination of the FMR (an "Objection Notice"), which notice must contain therein Tenant's opinion of the FMR, the parties will attempt to arrive at a mutually agreeable Minimum Annual Rent for each Lease Year of the additional periods, as applicable. When the parties come to an agreement, they will both execute an amendment of this Lease establishing the Minimum Annual Rent for each Lease Year of the additional option terms, as applicable.

(e) If Landlord and Tenant cannot agree as to the FMR within fifteen (15) days after Landlord's receipt of the Objection Notice, Tenant shall have the option of either rescinding its option to renew or electing to have the FMR shall be determined by appraisal. In the event that the FMR is required by be determined by appraisal, within ten (10) days after the expiration of such fifteen (15) day period, Landlord and Tenant shall give written notice to the other party setting forth the name and address of an appraiser designated by the party giving notice. All appraisers selected shall be members of the American Institute of Real Estate Appraisers and shall have had at least ten (10) years continuous experience in the business of appraising industrial buildings in the Southeast Michigan market area. If either party shall fail to give notice of such designation within the time period provided, then the party who has designated its appraiser (the "Designating Party") shall notify the other party (the "Non-Designating Party") in writing that the Non-

Designating Party has an additional ten (10) days to give notice of its designation, otherwise the appraiser, if any, designated by the Designating Party shall conclusively determine the FMR. If two appraisers have been designated, such appraisers shall attempt to agree upon the FMR. If the two appraisers do not agree on the FMR within twenty (20) days of their designation, the two appraisers shall designate a third appraiser. If the two appraisers shall fail to agree upon the identity of a third appraiser within five (5) business days following the end of such twenty (20) day period, then either Landlord or Tenant may apply to the American Arbitration Association, or any successor thereto having jurisdiction, for the settlement of the dispute as to the designation of the third appraiser and the American Arbitration Association shall designate a third appraiser in accordance with the Real Estate Valuation Arbitration Rules of the American Arbitration Association. The three appraisers shall conduct such hearings as they may deem appropriate, shall make their determination of the FMR in writing and shall give notice to Landlord and Tenant of such determination within twenty (20) days after the appointment of the third appraiser. If the three appraisers cannot agree upon the FMR, each appraiser shall submit in writing to Landlord and Tenant the FMR as determined by such appraiser. The FMR for the purposes of this paragraph shall be equal to the arithmetic average of the two closest determinations of FMR submitted by the appraisers. Each party shall pay its own fees and expenses in connection with any appraiser selected by such party under this paragraph, and the parties shall share equally all other expenses and fees of the arbitration, including the fees and expenses charged by the third appraiser. The FMR as determined in accordance with the provisions of this Section shall be final and binding upon Landlord and Tenant.

(f) Notwithstanding the foregoing, under no circumstances shall the rent during the **First Option term** be less than the rent paid during the last year of the **Original Lease term** (months 70 to 81); and under no circumstances shall the rent during the last year of **Second Option term** be less than the rent paid during the last year of the **First Option term** (months 130 to 141).

(g) In the unlikely event that the FMR has not been determined prior to the commencement of the **First Option term,** Tenant shall continue to pay rent in the same amount as paid during the last year of the **Original Lease term** (months 70 to 81); and, upon determination of the FMR, Tenant shall pay the balance, if any, in a lump sum payment to Landlord.

(h) In the unlikely event that the FMR has not been determined prior to the commencement of the **Second Option term,** Tenant shall continue to pay rent in the same amount as paid during the last year of **First Option term** (months 131 to 140); and, upon determination of the FMR, Tenant shall pay the balance, if any, in a lump sum payment to Landlord.

(i) The Personal Guaranty, as provided for in Section 24 of the Lease, shall remain in full force and effect during the Option terms.

(j) At the exercise of each option, the interior offices shall be repainted and re-carpeted by Landlord at Landlord's sole cost and expense; provided,

however, Tenant shall be responsible, at its sole cost and expense, for moving and reinstalling its cubicles, furniture and equipment to facilitate the repainting and re-carpeting.

EXHIBIT F

Client#: 43816 INFUSYSTEMINC

ACORD. CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/26/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER T&H Brokers Inc. 320 West 57th Street New York, NY 10019 212 603-0200	CONTACT NAME: Alice Davis PHONE (A/C, No, Ext): 212 603-0266 FAX (A/C, No): 212 262-9471 E-MAIL ADDRESS: davisa@thgroup.com
INSURED InfuSystem Holdings, Inc. dba InfuSystem, Inc. 31700 Research Park Drive Madison Heights, MI 48071	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : One Beacon America Insurance Co INSURER B : Medmarc Casualty Insurance Co INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			7110116020002	10/25/2011	10/25/2012	EACH OCCURRENCE	$1,000,000
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$500,000
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$10,000
							PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$excluded
								$
A	AUTOMOBILE LIABILITY			7110116020002	10/25/2011	10/25/2012	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS / X NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
	X $500 Comp Ded X $500 Coll Ded							$
A	X UMBRELLA LIAB X OCCUR			7110116020002	10/25/2011	10/25/2012	EACH OCCURRENCE	$10,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$10,000,000
	DED X RETENTION $10000							$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N		N/A	4060311670002	10/25/2011	10/25/2012	X WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT	$1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000
B	Products/Comp Ops Incl Med Prof Services End			09M1380007	10/25/2011	10/25/2012	$5,000,000 Each Occ $5,000,000 Aggregate $25k/$125K SIR Occ/Agg	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Additional Named Insured: First Biomedical, Inc.; First Infusion LLC; IFC LLC

CERTIFICATE HOLDER	CANCELLATION
Evidence of Insurance	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Alice Davis

T6191

EXHIBIT 21.1

Subsidiaries of the Registrant

Name	Jurisdiction of Organization
InfuSystem, Inc.	California
First Biomedical, Inc.	Kansas
IFC, LLC	Delaware
Infusystem Holdings USA, Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-150066, 333-167914, and 333-174828 on Form S-8, of our report dated March 28, 2013, relating to the consolidated financial statements of InfuSystem Holdings, Inc. and subsidiaries, appearing in this Annual Report on Form 10-K of InfuSystem Holdings, Inc. for the year ended December 31, 2012.

/S/ DELOITTE & TOUCHE LLP

Detroit, Michigan
March 28, 2013

EXHIBIT 31.1

CERTIFICATION BY OFFICER

I, Dilip Singh, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2012 of InfuSystem Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2013

By: /S/ DILIP SINGH
Dilip Singh
Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATION BY OFFICER

I, Jonathan Foster, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2012 of InfuSystem Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and we have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 28, 2013

By: /S/ JONATHAN P. FOSTER
Jonathan P. Foster
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of InfuSystem Holdings, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2012 (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 28, 2013

By: /s/ DILIP SINGH
Dilip Singh
Chief Executive Officer and President

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF OFFICER

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), the undersigned officer of InfuSystem Holdings, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Annual Report on Form 10-K for the year ended December 31, 2012 (the "Form 10-K") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 28, 2013

By: /s/ JONATHAN P. FOSTER
Jonathan P. Foster
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.