

C A M P A I G N F O R

ACCOUNTABILITY

July 22, 2021

**BY EMAIL: [ChairmanOffice@sec.gov](mailto:ChairmanOffice@sec.gov)**

Office of the Chairman  
Disclosure Review Program  
Division of Corporation Finance  
Office of Energy and Transportation  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: Merger of Sustainable Opportunities Acquisition Corp. and DeepGreen Metals Inc./The Metals Company, Inc.

Dear Chairman Gensler:

Campaign for Accountability (“CfA”) respectfully requests that the Securities and Exchange Commission (“SEC”) investigate the proposed Special Purpose Acquisition Company (“SPAC”) transaction between Sustainable Opportunities Acquisition Corp. (“SOAC”) and DeepGreen Metals Inc. (“DeepGreen”)/The Metals Company Inc. (“TMC”) for potential violations of securities law.

As you know, earlier this month, the SEC charged a SPAC, its CEO, its target and the target’s leaders with violations of securities law for misleading statements in public filings associated with the proposed merger and failure to meet its due diligence obligations to investors.<sup>1</sup> In announcing the SEC’s action, you noted the “risks inherent to SPAC transactions, as those who stand to earn significant profits from a SPAC merger may conduct inadequate due diligence and mislead investors.”<sup>2</sup>

In this instance, records raise questions about the adequacy of SOAC’s Registration Statement, Form S-4, as most recently amended on June 22. (“Form S-4”),<sup>3</sup> which appears to be missing material background information and litigation histories of several officers, directors, and shareholders on both sides of the merger in violation of 17 C.F.R. § 229.401.<sup>4</sup> While some of these matters are of particular concern in SPAC transactions, regardless of whether DeepGreen

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<sup>1</sup> Complaint, SEC v. Kokorich, Case No. 1:21-CV-1869 (D.D.C. July 13, 2021), *available at* <https://www.sec.gov/litigation/complaints/2021/comp-pr2021-124.pdf>.

<sup>2</sup> U.S. Securities and Exchange Commission Press Release, SEC Charges SPAC, Sponsor, Merger Target, and CEOs for Misleading Disclosures Ahead of Proposed Business Combination, July 14, 2021, *available at* <https://www.sec.gov/news/press-release/2021-124>.

<sup>3</sup> <https://www.sec.gov/Archives/edgar/data/1798562/000121390021020731/0001213900-21-020731-index.htm>.

<sup>4</sup> <https://www.law.cornell.edu/cfr/text/17/229.401>.

and SOAC are engaged in a SPAC transaction or a traditional initial public offering, they are also subject to the prohibitions on material omissions and false and misleading statements. 17 C.F.R. § 240.14a-9.<sup>5</sup>

### **Disclosure Issues Concerning DeepGreen Chairman & CEO Gerard Barron**

#### *Windward Prospects*

Among the most glaring omissions in SOAC's S-4 is the lack of any mention of the role of DeepGreen chief executive officer Gerard Barron – slated to become CEO of the post-merger company DeepGreen – as a shareholder and director of an environmental remediation company, Windward Prospects Limited (“Windward”), that was created for the sole purpose of restoring a polluted river in Wisconsin and went bankrupt on his watch.<sup>6</sup>

Windward is a former paper company that was designated by some of the corporate defendants in a major US environmental case as a vehicle to fund the cleanup costs from legacy pollution by a U.S. paper mill that discharged cancer-causing PCBs into the Lower Fox River in Wisconsin for decades until the 1970s.<sup>7</sup> In 2010, the Department of Justice's Environment and Natural Resources Division and the State of Wisconsin filed suit to force the companies that owned or otherwise profited from the plant to pay for the cleanup of the Lower Fox, ultimately resulting in the designation of Windward by B.A.T Industries PLC as a funding vehicle.<sup>8</sup> Windward allegedly began diverting its assets to company insiders while seeking to avoid paying to clean up the Fox, resulting in extensive litigation in the U.K.<sup>9</sup> Three years into those events, in 2013, Barron, a longtime Australian advertising executive with little or no experience in environmental remediation, acquired a 20% stake in Windward and became one of three company directors.<sup>10</sup>

During Barron's tenure at Windward from mid-2013 to late 2019, the company continued to wage a series of court battles to avoid recouping improperly diverted assets and paying Fox River cleanup costs. After the U.S. Department of Justice finally intervened, Windward was a named party to a new settlement in 2017 promising to fund the completion of the Fox River cleanup.<sup>11</sup>

According to a December 2018 proposal filed with Companies House by Windward's administrators, during the same period Windward was fighting to avoid recouping its assets or paying for the cleanup of the Fox River, the company poured millions of dollars into Barron's

<sup>5</sup> <https://www.law.cornell.edu/cfr/text/17/240.14a-9>.

<sup>6</sup> Simon Neville, [British American Tobacco drops and sues PwC over pollution scandal](https://www.independent.co.uk/news/business/news/british-american-tobacco-drops-and-sues-pwc-over-pollution-scandal-10081476.html), *The Independent*, March 3, 2015, available at <https://www.independent.co.uk/news/business/news/british-american-tobacco-drops-and-sues-pwc-over-pollution-scandal-10081476.html>;

<https://www.nortonrosefulbright.com/en/knowledge/publications/4ef30a23/when-is-a-dividend-unlawful>

<sup>7</sup> <https://www.nortonrosefulbright.com/en/knowledge/publications/4ef30a23/when-is-a-dividend-unlawful>

<sup>8</sup> <https://www.justice.gov/opa/pr/us-files-pcb-cleanup-lawsuit-against-12-polluters-wisconsin-s-fox-river>;

<https://www.nortonrosefulbright.com/en/knowledge/publications/4ef30a23/when-is-a-dividend-unlawful#section4>

<sup>9</sup> <https://www.nortonrosefulbright.com/en/knowledge/publications/4ef30a23/when-is-a-dividend-unlawful>.

<sup>10</sup> <https://find-and-update.company-information.service.gov.uk/company/02454830/officers>.

<sup>11</sup> <https://semspub.epa.gov/work/05/935850.pdf>.

other ventures, including approximately \$7.9 million into DeepGreen. Windward also spent over \$2 million on a collection of fine wines.<sup>12</sup>

Windward's investment garnered the company a minority stake in DeepGreen. Windward's directors then allegedly transferred the shares to themselves in August 2017 and August 2018, "in lieu of unpaid amounts" they claimed Windward owed them as compensation.<sup>13</sup> It appears that Windward's administrators may still be investigating the nature of these transactions.<sup>14</sup>

In addition to omitting Barron's involvement in Windward, SOAC S-4 maintains there is "no material litigation, arbitration or governmental proceeding currently pending or to SOAC's knowledge, threatened against us or any members of SOAC's management team in their capacity as such." This statement appears to be either false or misleading given the Windward insolvency proceeding, which U.K. liquidators say they have already discussed with DeepGreen.<sup>15</sup> It appears that SOAC has not disclosed whether Barron faces possible legal action personally in the Windward case or whether Windward's administrators may seek to seize 5% of DeepGreen's shares. DeepGreen is aware of this potential litigation, which SOAC therefore should have disclosed.

### Nautilus Minerals

Key figures and shareholders in DeepGreen, including Barron, were also involved in the Canadian company Nautilus Minerals Inc.<sup>16</sup>, the original holder of at least two undersea mining concessions now held by DeepGreen.<sup>17</sup> Significantly, a group of Nautilus shareholders claim they were misled when Nautilus filed for bankruptcy in February of 2019, resulting in the diversion of those concessions.<sup>18</sup>

Nautilus was founded in the early 2000s. As of 2007, Barron was listed as a minority shareholder with 5.27%.<sup>19</sup> The company went public and Barron sold his stake, turning a

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<sup>12</sup> Companies House, December 2018 Statement of administrator's proposal for Windward Prospects Limited (filed January 16, 2019), Company number 02454830, available at <https://find-and-update.company-information.service.gov.uk/company/02454830/filing-history>.

<sup>13</sup> *Id.*

<sup>14</sup> Companies House, November 2020 Joint administrators' progress report (filed December 8, 2020), Company number 02454830, available at <https://find-and-update.company-information.service.gov.uk/company/02454830/filing-history>.

<sup>15</sup> Companies House, December 2018 Statement of administrator's proposal for Windward Prospects Limited (filed January 16, 2019), Company number 02454830, available at <https://find-and-update.company-information.service.gov.uk/company/02454830/filing-history>.

<sup>16</sup> [https://www.sec.gov/Archives/edgar/data/1798562/000121390021036767/fs42021a3\\_sustainableoppo.htm#T22](https://www.sec.gov/Archives/edgar/data/1798562/000121390021036767/fs42021a3_sustainableoppo.htm#T22), p. 190.

<sup>17</sup> Tonga: <https://dsmobserver.com/2020/04/with-toml-acquisition-deepgreen-expands-its-footprint-across-the-pacific/>. Nauru: <https://www.bloomberg.com/news/articles/2021-06-24/a-mining-startup-s-rush-for-underwater-metals-comes-with-deep-risks>

<sup>18</sup> Letter to the Court, In the Matter of Nautilus Minerals Inc. and Nautilus Minerals Pacific PTY Ltd., Supreme Court of British Columbia, Case No. S191827, August 4, 2019.

<sup>19</sup> AIM - Sch 1 Update-Nautilus Mineral. Regulatory News Service. January 30, 2007.

\$226,000 investment into \$31 million.<sup>20</sup> Nautilus began to decline soon thereafter<sup>21</sup>, and Barron began to set up DeepGreen.

After Nautilus filed for bankruptcy, 41 individual shareholders signed onto a letter to the British Columbia court overseeing the bankruptcy, accusing company insiders and the two biggest Nautilus shareholders of a “systematic attack on the company’s underlying financials” designed to “minimally compensate existing creditors” and “transfer NMI assets to a new entity at far below assessed value,” while leaving small stakeholders “in a soon-to-be assetless company.”<sup>22</sup>

The shareholder letter alleged that Nautilus insiders and an offshore company controlled by its biggest shareholders— Deep Sea Mining Finance (“DSMF”)— loaned Nautilus money to strip the company’s assets.<sup>23</sup> The letter claimed the loan “was entered into in bad faith and was a successful attempt to indebt NMI” to DSMF.<sup>24</sup> DSMF was incorporated in 2017 in the British Virgin Islands, which is known as a secretive offshore tax haven that allows corporate shareholders to remain anonymous. DSMF is jointly owned by Alisher Usmanov, a Russian oligarch, and his associates and a wealthy family from the Persian Gulf sultanate of Oman.<sup>25</sup> Usmanov’s stake is held through his primary holding company Metalloinvest Holding (Cyprus) Limited, while the Omanis rely on MB Holding Company LLC.<sup>26</sup>

Dutch security expert Marcel Van Herpen has alleged Usmanov is close to Russia President Vladimir Putin’s intelligence services and a key figure in Putin’s efforts to control the Russian news media and social media.<sup>27</sup> Usmanov has longstanding ties to Andrei Skoch, a Russian politician and alleged organized crime figure on the U.S. sanctions list.<sup>28</sup> Skoch was Usmanov’s longtime partner in Metalloinvest until he was elected to the Duma in 1999, when he transferred his shares to his elderly father. (In 1980, Usmanov was convicted of fraud and embezzlement in the Soviet Union and served six years in prison. He claims he was framed by the KGB and was subsequently cleared.<sup>29</sup>)

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<sup>20</sup> <https://www.afr.com/chanticleer/patience-earns-fundie-a-10-bagger-20210316-p57b92>

Mining’s Tesla moment: DeepGreen harvests clean metals from the sea floor, *Mining.com*, June 5, 2017, available at <https://www.mining.com/web/minings-tesla-moment-deepgreen-harvests-clean-metals-seafloor/>.

<sup>21</sup> [https://www.annualreports.com/HostedData/AnnualReportArchive/n/TSX\\_NUS\\_2008.pdf](https://www.annualreports.com/HostedData/AnnualReportArchive/n/TSX_NUS_2008.pdf); <https://sec.report/otc/financial-report/79128>

<sup>22</sup> Letter to the Court, In the Matter of Nautilus Minerals Inc. and Nautilus Minerals Pacific PTY Ltd., Supreme Court of British Columbia, Case No. S191827, August 4, 2019.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> <https://web.archive.org/web/20210708212633/https://www.globenewswire.com/news-release/2017/10/05/1141342/0/en/Nautilus-Minerals-Resignation-of-Mark-P-M-Horn-as-a-Director.html>

<sup>26</sup> *Id.*

<sup>27</sup> Marcel H. Van Herpen, “Putin’s Propaganda Machine: Soft Power and Russian Foreign Policy,” Oct. 2015, p. 90-91.

<sup>28</sup> <https://www.ft.com/content/a472f9e6-28c6-11ea-9305-4234e74b0ef3>.

<sup>29</sup> Ian Cobain, *Usmanov’s responses to Guardian questions*, *The Guardian*, Nov. 18, 2007, available at <https://www.theguardian.com/world/2007/nov/19/russia.football>.



After Nautilus filed for bankruptcy in 2019, DSMF appears to have used the liquidation process to obtain control of key Nautilus assets, including potentially valuable Nautilus concessions in Papua New Guinea and Tonga, in exchange for eliminating Nautilus's debts.<sup>30</sup> In March 2020, DeepGreen issued approximately 7.8 million shares of its stock to DSMF plus a deferred consideration of \$3.44 million in exchange for the Tonga subsidiary originally owned by Nautilus,<sup>31</sup> suggesting Putin allies are substantial shareholders of DeepGreen.

### Consulting Payments

DeepGreen has also been scrutinized for failing to report the details of commission payments it made to a now defunct U.K. company controlled by Barron and others called Victorem Ventures Ltd.<sup>32</sup> A recent *Bloomberg* report found that DeepGreen misrepresented his affiliation with Victorem Ventures in a filing in Canada: "The Canadian securities filing, which was signed by Barron as DeepGreen's CEO, declared that Victorem had no relationship to any DeepGreen insider."<sup>33</sup> In fact, records from Companies House in the United Kingdom show that Barron was appointed director and secretary of Victorem Ventures in August of 2015,<sup>34</sup> and the company's financial statements were signed personally by Barron in May 2017.<sup>35</sup> In all, securities filings from 2017 and 2018 show Barron pocketed more than \$350,000 in commission and finder's fees from the sale of DeepGreen stock via Victorem Ventures.<sup>36</sup>

Barron's past affiliation with Victorem Ventures and the compensation the company received from DeepGreen are also not included in SOAC's S-4s, another potential violation of SEC rules on disclosure of directorships.

In addition, in its S-4 filings, SOAC lists a \$350,000 payment to an unnamed consulting firm, and notes the firm may receive an additional \$2,650,000 should the SOAC/DeepGreen

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[https://web.archive.org/web/20191030020130/http://www.nautilusminerals.com/irm/PDF/2096\\_0/Nautilusobtainscourtapprovalofplanofcompromiseandarrangement](https://web.archive.org/web/20191030020130/http://www.nautilusminerals.com/irm/PDF/2096_0/Nautilusobtainscourtapprovalofplanofcompromiseandarrangement).

<sup>31</sup> [https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2\\_sustainable.htm](https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2_sustainable.htm).

<sup>32</sup> <https://www.bsc.bc.ca/documents/view/B7W3L6O4E7FAP7C6Z6X7W7VAY7O0>.

Todd Woody, *A Mining Startup's Rush for Underwater Metals Comes With Deep Risks*, *Bloomberg Green*, June 23, 2021, available at <https://www.bloomberg.com/news/articles/2021-06-24/a-mining-startup-s-rush-for-underwater-metals-comes-with-deep-risks?sref=VDXBDESF>; <https://www.greenpeace.org/static/planet4-international-stateless/c86ff110-pt0-deep-trouble-report-final-1.pdf>.

<sup>33</sup>Todd Woody, *A Mining Startup's Rush for Underwater Metals Comes With Deep Risks*, *Bloomberg Green*, June 23, 2021, available at <https://www.bloomberg.com/news/articles/2021-06-24/a-mining-startup-s-rush-for-underwater-metals-comes-with-deep-risks?sref=VDXBDESF>;

<https://www.greenpeace.org/static/planet4-international-stateless/c86ff110-pt0-deep-trouble-report-final-1.pdf>;

[https://www.sec.gov/Archives/edgar/data/0001630641/000163064118000001/xslFormDX01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/0001630641/000163064118000001/xslFormDX01/primary_doc.xml).

<sup>34</sup> <https://find-and-update.company-information.service.gov.uk/company/09748894/filing-history>.

<sup>35</sup> Victorem Ventures Limited Unaudited Abbreviated Financial Statements For the Year Ended 31 August 2016, p. 3.

<sup>36</sup> <https://www.bloomberg.com/news/articles/2021-06-24/a-mining-startup-s-rush-for-underwater-metals-comes-with-deep-risks>

<https://www.bsc.bc.ca/ViewDocument.aspx?DocNum=B7W3L6O4E7FAP7C6Z6X7W7VAY7O0>

[https://www.sec.gov/Archives/edgar/data/1630641/000163064118000001/xslFormDX01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/1630641/000163064118000001/xslFormDX01/primary_doc.xml)

merger materialize.<sup>37</sup> SOAC has continued to withhold the name of the consulting firm in its most recent June 2021 S-4 amendment, explaining:<sup>38</sup>

“The Company is receiving consulting services in connection with identification of potential targets for a Business Combination and due diligence on such targets. As compensation for such services, the Company paid a nonrefundable fixed fee of \$350,000 and agreed to pay the consulting firm \$2,650,000 solely in the event that the Company completes a Business Combination. The consulting agreement may be terminated early by either party to the agreement provided that the Company pays a termination fee to the consulting firm determined based on a monthly increasing amount through November 2021. As of December 31, 2020, the termination fee is \$1,115,800, which has been accrued and recognized in general and administrative expenses within the statements of operations.”

As the SEC previously stated in its guidance from December 2020,<sup>39</sup> possible hidden incentives and undisclosed conflicts of interest are a known issue with SPACs. Given the history of consulting payments from DeepGreen to a shell company controlled by its top executive, the investors and potential investors in the SOAC SPAC transaction have a right to know whether SOAC’s consultant has any relationship with any officer, directors, or shareholders at DeepGreen or SOAC.

#### **Disclosure Issues Concerning SOAC Chairman Scott Honour**

The SOAC filing omits material information regarding SOAC Board chairman Scott Honour, who has been involved in several lawsuits alleging fraud and questionable business practices. While SOAC claims there is no “governmental proceeding currently pending or to SOAC’s knowledge threatened against us or any members of SOAC’s management team,” a company that Honour controls and where he serves as director appears to be under scrutiny by a U.S. congressional committee.

Honour is a director of EVO Transportation & Energy Services Inc. (“EVO”), a “green” trucking company that services the U.S. Postal Service.<sup>40</sup> The company obtained \$10 million from the Paycheck Protection Program (“PPP”) in the spring of 2020, only to lay off more than 100 employees and close a facility in Austin, Texas at the end of 2020.<sup>41</sup> During this period, Honour was appointed chairman of EVO.<sup>42</sup>

EVO’s PPP loan prompted U.S. Rep. James Clyburn (D-SC) to write a letter to the company’s CEO in May 2020, asking that the company return the funds because it is not a small

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<sup>37</sup> [https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2\\_sustainable.htm](https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2_sustainable.htm).

<sup>38</sup> [https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2\\_sustainable.htm](https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2_sustainable.htm).

<sup>39</sup> <https://www.sec.gov/corpfin/disclosure-special-purpose-acquisition-companies>.

<sup>40</sup> <https://evotransinc.com/about-us/>.

<sup>41</sup> Lori Hawkins, *Trucking firm EVO Transportation to close Austin facility, lay off 104 workers*, *Austin American-Statesman*, Dec. 21, 2020, available at <https://www.statesman.com/story/business/2020/12/21/trucking-firm-evo-closing-its-austin-facility-and-laying-off-104/3993471001/>.

<sup>42</sup> [https://www.sec.gov/Archives/edgar/data/0000728447/000156459020046646/evoa-8k\\_20201009.htm](https://www.sec.gov/Archives/edgar/data/0000728447/000156459020046646/evoa-8k_20201009.htm)

business and, therefore, was not intended to be a beneficiary of the loan program.<sup>43</sup> The company declined to return the money, which Clyburn said would result in an investigation of the firm's involvement in the PPP program.<sup>44</sup>

The committee's interest is likely to be heightened by EVO's recent disclosure to the SEC that some of the company's subsidiaries "borrowed \$17.033 million under the Main Street Priority Loan Program authorized by Section 13(3) of the Federal Reserve Act in the fourth quarter of 2020."<sup>45</sup>

EVO is also the focus of some of Honour's legal difficulties. A company called Titan CNG LLC, controlled by Honour and his sibling, acquired 91.25% of EVO Transportation & Energy Services, formerly known as Minn Shares Inc., through a reverse merger in 2016.<sup>46</sup> Around the time of the transaction, Honour and his brother Kirk Honour obtained \$800,000 in bridge loans on behalf of Titan, for which they were sued for fraud and breach of contract in 2018 by two brothers, each of whom put up \$400,000.<sup>47</sup> The plaintiffs alleged the Honours had put up three operation gas stations as collateral for the loans, but when they defaulted in 2017, the plaintiffs discovered the Honours had "fraudulently misrepresented the nature, extent, and adequacy of the collateral that was pledged as security for the \$800,000," and that "the collateral pledged [was] essentially worthless."<sup>48</sup> One of the gas stations was out of business, another was under construction and never completed, and the third was sold off without approval.<sup>49</sup> Furthermore, the defendants falsely claimed that the plaintiffs held first priority over the gas stations, when in fact a bank had senior leasehold interests.<sup>50</sup> The plaintiffs' complaint described the Honours as "playing a shell game whereby they found ways to raise money through fraudulent misrepresentation."<sup>51</sup>

In 2018, a judge issued a partial ruling in favor of the plaintiffs, ordering the Honours to repay the loans, interest, and penalties, as well as attorney fees.<sup>52</sup> The brothers have since settled the rest of the claims.<sup>53</sup>

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<sup>43</sup> [https://www.eenews.net/assets/2020/05/12/document\\_daily\\_02.pdf](https://www.eenews.net/assets/2020/05/12/document_daily_02.pdf).

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[https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/050820\\_Select\\_Sbcmte\\_to\\_EVO\\_Transp\\_ortation\\_Energy\\_re\\_PPP.pdf](https://coronavirus.house.gov/sites/democrats.coronavirus.house.gov/files/050820_Select_Sbcmte_to_EVO_Transp_ortation_Energy_re_PPP.pdf);

<https://www.financialbuzz.com/statement-of-evo-transportation-energy-services-inc-regarding-ppp/>.

<sup>45</sup> [https://www.sec.gov/Archives/edgar/data/728447/000156459021017295/evoa-nt10k\\_20201231.htm](https://www.sec.gov/Archives/edgar/data/728447/000156459021017295/evoa-nt10k_20201231.htm).

<sup>46</sup> [https://www.sec.gov/Archives/edgar/data/728447/000121390019002093/fs12019\\_evotransportation.htm](https://www.sec.gov/Archives/edgar/data/728447/000121390019002093/fs12019_evotransportation.htm).

<sup>47</sup> Complaint, *Red Ocean Consulting LLC et al v. Titan CNG LLC et al*, Case No. 27-CV-18-2405 (Hennepin County Dist. Ct., MN, Feb. 2, 2018).

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> *Id.*

<sup>52</sup> Neal St. Anthony, *Former business associates gain favorable settlement from private-equity manager Scott Honour*, *Star Tribune*, Aug. 7, 2018, available at <https://www.startribune.com/former-business-associates-gain-favorable-settlement-from-private-equity-manager-scott-honour/490188401/?refresh=true>.

<sup>53</sup> [https://www.sec.gov/Archives/edgar/data/728447/000121390018010206/f8k072018ex10-1\\_evotransport.htm](https://www.sec.gov/Archives/edgar/data/728447/000121390018010206/f8k072018ex10-1_evotransport.htm).

SOAC's S-4 filings should have disclosed the Titan CNG litigation and judgment entered against Honour, which is relevant to the green energy sector that DeepGreen also occupies.

### **Potential Violations of the Foreign Corrupt Practices Act**

DeepGreen's Nauru exploration rights, held through its ownership of Nauru Ocean Resources Inc. (NORI), may pose civil and criminal risks under the Foreign Corrupt Practices Act,<sup>54</sup> with potential liability extended to SOAC if its merger with DeepGreen is consummated.

There are unresolved questions about the ownership structures of the two Nauru foundations—the Nauru Education and Training Foundation Inc. (NEAT) and the Nauru Health and Environment Foundation Inc. (NHEF)—that own NORI. SOAC's most recent S-4 amendment states that NORI and the two foundations that control it are wholly-owned by DeepGreen.<sup>55</sup> This seems at odds with prior statements by the International Seabed Authority, claiming the foundations “are controlled by Nauru and will distribute within the State the income the company received from mineral production in the License Area.”<sup>56</sup>

Further, SOAC's S-4 does not explain how DeepGreen gained control of these entities. A recent *Wall Street Journal* report suggested that the transfer of NORI's ownership from the foundations to DeepGreen in 2012 coincided with a college scholarship awarded to the niece of Nauru's former Trade Minister Michael Aroi, whose oversight responsibilities included deep-sea mining.<sup>57</sup> A 2014 government gazette filing also mentions Aroi in relation to oversight of the appointment of two directors of NORI, NETF, and NHEF.<sup>58</sup> The DeepGreen scholarship money awarded to a relative of a government official who has oversight of the company's business interests could constitute bribery punishable by civil and criminal penalties under the Foreign Corrupt Practices Act, which prohibits payments to foreign government officials in exchange for assistance in obtaining or retaining business.<sup>59</sup> Although DeepGreen is a Canadian firm, it has had a U.S. subsidiary, DeepGreen Resources LLC, registered in North Carolina since 2013.<sup>60</sup> Greenpeace has also raised questions about DeepGreen's extensive – and opaque – dealings in Nauru and other island nations in the South Pacific.<sup>61</sup>

### **Conclusion**

In its recent action against Mikhail Kokorich, the Commission alleged the defendant had “made an untrue statement of material fact,” or omitted to state material facts “necessary in order

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<sup>54</sup> 15 U.S.C. §§ 78dd-1, et seq.

<sup>55</sup> [https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2\\_sustainable.htm](https://www.sec.gov/Archives/edgar/data/0001798562/000121390021033645/fs42021a2_sustainable.htm).

<sup>56</sup> <https://www.isa.org.jm/news/seabed-authority-and-nauru-ocean-resources-inc-sign-contract-exploration>.

<sup>57</sup> Justin Scheck, Eliot Brown and Ben Foldy, *Environmental Investing Frenzy Stretches Meaning of 'Green'*, *Wall Street Journal*, June 24, 2021, available at <https://www.wsj.com/articles/environmental-investing-frenzy-stretches-meaning-of-green-11624554045>.

<sup>58</sup>

[https://web.archive.org/web/20191118044152/http://ronlaw.gov.nr/nauru\\_lpms/files/gazettes/b602c52bde3bb496290f85689ee7ce94.pdf](https://web.archive.org/web/20191118044152/http://ronlaw.gov.nr/nauru_lpms/files/gazettes/b602c52bde3bb496290f85689ee7ce94.pdf).

<sup>59</sup> 15 U.S.C. §§ 78dd-1, et seq.

<sup>60</sup> [https://www.sosnc.gov/online\\_services/Search/Business\\_Registration\\_profile?Id=10376724](https://www.sosnc.gov/online_services/Search/Business_Registration_profile?Id=10376724).

<sup>61</sup> <https://www.greenpeace.org/static/planet4-international-stateless/c86ff110-pto-deep-trouble-report-final-1.pdf>.

Chairman Gary Gensler

July 22, 2021

Page 9 of 9

to make the statements made, in light of the circumstances under which they were made, not misleading.”<sup>62</sup> Deep Green, Gerard Barron, and Scott Honour appear to have made similarly misleading statements in their filings.

As the Commission is increasingly aware, numerous companies with vague or questionable business plans that are controlled by little-known or poorly credentialed market players have been attempting to access the U.S. capital markets through the SPAC process, which allows them to circumvent some of the due diligence, underwriting, and regulatory requirements of an initial public offering. This proposed merger appears to be exactly such a transaction, making it critical for the SEC to examine it closely, ensure all required disclosures have been made, and take appropriate enforcement action if material information has been improperly withheld.

Sincerely,



Michelle Kupper-Smith  
Executive Director

CC:

The Honorable Sherrod Brown  
Chair, Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Maxine Waters  
Chair, House Committee on Financial Services  
FSCDems@mail.house.gov

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<sup>62</sup> Complaint at ¶ 85, *supra* fn. 1.

STATE OF MINNESOTA  
COUNTY OF HENNEPIN

DISTRICT COURT  
FOURTH JUDICIAL DISTRICT  
CASE TYPE: OTHER CIVIL

Red Ocean Consulting, LLC, Brenton Hayden,  
Richard H. Enrico Revocable Trust Dated June  
9, 1998, and Richard H. Enrico,

Court File No. \_\_\_\_\_  
Judge: \_\_\_\_\_

Plaintiffs,

**SUMMONS**

v.

Titan CNG, LLC, Titan El Toro, LLC, Titan  
Diamond Bar, LLC, Titan Blaine, LLC, Kirk  
Honour, Scott Honour, John Yeros, Minn  
Shares Inc., EVO Transportation & Energy  
Services, Inc.,

Defendants.

THIS SUMMONS IS DIRECTED TO DEFENDANTS.

1. **YOU ARE BEING SUED.** The Plaintiff has started a lawsuit against you. The Plaintiff's Complaint against you is attached to this Summons. Do not throw these papers away. They are official papers that affect your rights. You must respond to this lawsuit even though it may not yet be filed with the Court and there may be no Court file number on this Summons.

2. **YOU MUST REPLY WITHIN 20 DAYS TO PROTECT YOUR RIGHTS.** You must give or mail to the person who signed this Summons a **written response** called an Answer within 20 days of the date on which you received this Summons. You must send a copy of your Answer to the person who signed this Summons located at:

John Harper III  
Christopher J. Haugen  
Messerli & Kramer P.A.  
1400 Fifth Street Towers  
100 South Fifth Street  
Minneapolis, MN 55402

3. **YOU MUST RESPOND TO EACH CLAIM.** The Answer is your written response to the Plaintiff's Complaint. In your Answer you must state whether you agree or disagree with each paragraph of the Complaint. If you believe the Plaintiff should not be given everything asked for in the Complaint, you must say so in your Answer.



4. **YOU WILL LOSE YOUR CASE IF YOU DO NOT SEND A WRITTEN RESPONSE TO THE COMPLAINT TO THE PERSON WHO SIGNED THIS SUMMONS.** If you do not Answer within 20 days, you will lose this case. You will not get to tell your side of the story, and the Court may decide against you and award the Plaintiff everything asked for in the Complaint. If you do not want to contest the claims stated in the Complaint, you do not need to respond. A default judgment can then be entered against you for the relief requested in the Complaint.

5. **LEGAL ASSISTANCE.** You may wish to get legal help from a lawyer. If you do not have a lawyer, the Court Administrator may have information about places where you can get legal assistance. **Even if you cannot get legal help, you must still provide a written Answer to protect your rights or you may lose the case.**

6. **ALTERNATIVE DISPUTE RESOLUTION.** The parties may agree to or be ordered to participate in an alternative dispute resolution process under Rule 114 of the Minnesota General Rules of Practice. You must still send your written response to the Complaint even if you expect to use alternative means of resolving this dispute.

Dated: January 22, 2018

*s/ Christopher J. Haugen*  
John Harper III (#0041397)  
Christopher J. Haugen (#0393138)  
1400 Fifth Street Towers  
100 South Fifth Street  
Minneapolis, MN 55402  
Telephone: (612) 672-3600  
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[chaugen@messerlikramer.com](mailto:chaugen@messerlikramer.com)

ATTORNEYS FOR PLAINTIFF

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT  
CASE TYPE: OTHER CIVIL

Red Ocean Consulting, LLC, Brenton Hayden,  
Richard H. Enrico Revocable Trust Dated June  
9, 1998, and Richard H. Enrico,

Court File No. \_\_\_\_\_  
Judge: \_\_\_\_\_

Plaintiffs,

**COMPLAINT**

v.

Titan CNG, LLC, Titan El Toro, LLC, Titan  
Diamond Bar, LLC, Titan Blaine, LLC, Kirk  
Honour, Scott Honour, John Yeros, Minn  
Shares Inc., EVO Transportation & Energy  
Services, Inc.,

Defendants.

Plaintiffs Red Ocean Consulting, LLC, Brenton Hayden, the Richard H. Enrico Revocable Trust Dated June 9, 1998, and Richard ("Dick") Enrico, as and for their Complaint against Defendants, state and allege as follows:

**INTRODUCTION**

1. This case centers on Defendants' breach of contracts and fraud. Plaintiff Brenton Hayden, through his company Plaintiff Red Ocean Consulting, LLC ("Red Ocean"), and Plaintiff Dick Enrico, through the Richard H. Enrico Revocable Trust Dated June 9, 1998 (the "Enrico Trust"), each invested \$400,000 with Defendants Scott Honour & Kirk Honour and their company Titan CNG, LLC ("Titan CNG").

2. Specifically, Plaintiffs invested a combined \$800,000 in exchange for certain secured bridge notes to be repaid by Titan CNG with interest. The bridge notes had standard

repayment terms and were (supposedly) secured, so Plaintiffs reasonably believed the loans would be repaid with interest, and they would have security in the form of legitimate, adequate collateral and personal guarantees if the company and guarantors failed to pay. But that is not what happened.

3. Not only have Defendants repeatedly defaulted on the bridge notes, culminating in their failure to pay the entire amounts by the maturity dates, Plaintiffs discovered that they have been defrauded in terms of the security supposedly pledged to secure their loans. Plaintiffs have recently discovered that Defendants fraudulently misrepresented the nature, extent, and adequacy of the collateral that was pledged as security for the \$800,000, and are now aware that the collateral pledged is essentially worthless, leaving Plaintiffs' investment unprotected. Defendants also misrepresented how the funds from the secured bridge loans made by Plaintiffs would be used.

4. Plaintiffs bring this action to enforce the plain and unambiguous terms of the bridge notes and to obtain damages for the fraud perpetrated upon them.

#### **PARTIES AND JURISDICTION**

5. Plaintiff Red Ocean Consulting, LLC is a Florida limited liability company with its principal place of business located at 18935 Atlantic Boulevard, Sunny Isles Beach, Florida 33160. It is owned and managed by Brenton Hayden.

6. Plaintiff Brenton Hayden is an individual residing at 18935 Atlantic Boulevard, Sunny Isles Beach, Florida 33160. He is the 100% owner of Red Ocean.

7. Plaintiff Richard H. Enrico Revocable Trust Dated June 9, 1998, is a trust created by Dick Enrico that holds the shares obtained in exchange for the loan, and the bridge notes upon which Defendants have defaulted. Dick Enrico is the Trustee and has sole discretion related to the Trust assets.

8. Plaintiff Dick Enrico is an individual residing at 14262 Trace Ridge Road, Wayzata, Minnesota 55391.

9. Defendant Titan CNG, LLC ("Titan CNG") is a Delaware limited liability company with its principal place of business located at 315 Lake Street East, Suite 300, Wayzata, Minnesota 55391.

10. Defendant Titan El Toro, LLC is a Delaware limited liability company with its principal place of business located at 315 Lake Street East, Suite 300, Wayzata, Minnesota 55391. It is a wholly-owned subsidiary of Titan CNG, LLC.

11. Defendant Titan Diamond Bar, LLC is a Delaware limited liability company with its principal place of business located at 315 Lake Street East, Suite 300, Wayzata, Minnesota 55391. It is a wholly-owned subsidiary of Titan CNG, LLC.

12. Defendant Titan Blaine, LLC is a Minnesota limited liability company with its principal place of business located at 315 Lake Street East, Suite 300, Wayzata, Minnesota 55391, and with a registered office at 7825 Washington Avenue South #500, Bloomington, Minnesota 55439. It is a wholly-owned subsidiary of Titan CNG, LLC.

13. Defendant Kirk Honour is an individual residing at 5320 Lee Circle, Shorewood, MN 55331.

14. Defendant Scott Honour is an individual residing at 5970 Boulder Bridge Lane, Shorewood, MN 55331.

15. Defendant John Yeros is an individual residing at 7874 Vallagio Lane, Englewood, Colorado 80112. Though Yeros resides in Colorado, he has spent significant time in Minnesota conducting business, including, but not limited to, attending employee interviews,

attending board meetings, meeting with investors, and meeting with company attorneys. He was Plaintiffs' main point of contact at the Defendant companies in addition to Scott Honour.

16. Defendant Minn Shares Inc. is a Delaware corporation with a principal place of business at 315 East Lake Street, Suite 301, Wayzata, Minnesota 55391, and a previous principal place of business at 1624 Harmon Place #210, Minneapolis, Minnesota 55403.

17. Defendant EVO Transportation & Energy Services, Inc. ("EVO Transportation") (formerly Minn Shares, Inc.) is a Delaware corporation with its principal place of business at 8285 West Lake Pleasant Parkway, Peoria, Arizona 85382. Minn Shares was renamed EVO Transportation, and while the company may claim to have moved its principal place of business, it conducted a vast majority of the business activities giving rise to this action in Minnesota, certain of its high-level executives reside in Minnesota, others travel to Minnesota for the purpose of doing business, and the contracts at issue in this case have Minnesota choice of forum clauses and waivers of objections to Minnesota's jurisdiction.

18. Venue is proper pursuant to Minn. Stat. § 542.09, as Defendants are located in Hennepin County, Minnesota, and the cause of action, or some part thereof, arose in Hennepin County, Minnesota.

19. Personal jurisdiction is proper as all of the Defendants are either domiciled in Minnesota, or have sufficient minimum contacts with Minnesota. Defendants conduct business in Minnesota, have traveled into Minnesota for purposes of conducting business, including attending board meetings and meeting with company attorneys, are subject to contracts or agreements with Minnesota jurisdiction provisions, or are successors to companies who have waived objection to jurisdiction in Minnesota.

20. Venue and jurisdiction are proper pursuant to the agreements between the parties. Specifically, the bridge notes at issue all contain clauses allowing the holder of the notes (Plaintiffs) to enforce the provisions of the notes in any state or federal court in Minneapolis, Minnesota, and waiving any objections to jurisdiction or venue by Defendants.

### **FACTUAL ALLEGATIONS**

#### **Plaintiffs Invest in Titan CNG, LLC**

21. There are three separate Secured Bridge Notes (collectively, the “Notes”) at issue in this case. These Notes, along with security agreements, personal guaranties, pledge agreements, and subordination agreements became collectively referred to as the “Senior Bridge Loan Documents.” All of the Senior Bridge Loan Documents are attached hereto as Exhibit A with an index.

22. On February 29, 2016, Titan CNG entered into a Secured Bridge Note with Red Ocean. Under its terms, Titan CNG promised to repay the \$250,000.00 loaned to it by Red Ocean, together with interest. The maturity date was June 28, 2016. This note is attached hereto as Exhibit A-1.

23. On September 26, 2016, Titan CNG entered into a second Secured Bridge Note with Red Ocean. Under its terms, Titan CNG promised to repay the \$150,000.00 loaned to it by Red Ocean, together with interest. The maturity date was January 31, 2017. This note is attached hereto as Exhibit A-2.

24. On January 31, 2017, Titan CNG entered into a Secured Bridge Note with the Enrico Trust. Under its terms, Titan CNG promised to repay the \$400,000.00 loaned to it by the Enrico Trust, together with interest. The maturity date was April 30, 2017, though this maturity date was able to be extended to October 31, 2017 if Titan CNG made certain payments and met other criteria. This note is attached hereto as Exhibit A-3.



25. The Senior Bridge Loan Documents were first amended on July 26, 2016. The First Amendment to the Senior Bridge Loan Documents is attached hereto as Exhibit A-4.

26. The First Amendment to the Senior Bridge Note dated July 26, 2016 (hereinafter, "First Amendment"), modified certain terms, conditions, and covenants of the Senior Bridge Loan Documents. The documents were amended because Defendants were having trouble making the required payments and therefore needed an accommodation from Plaintiffs related to repayment, and because Defendants made promises in the original Senior Bridge Loan Documents that it turned out they could not keep. For example, Plaintiffs were supposed to have first priority in the collateral, and Defendants were supposed to deliver an Inter-Creditor Agreement and Deposit Account Control Agreement, but Defendants were told by other bank lenders that they were not allowed to provide these agreements they had promised to Plaintiffs.

27. Considering Defendants had already spent the money and gave Plaintiffs illusory collateral, Plaintiffs were forced to try and work with Defendants to obtain repayment. Under the First Amendment, the maturity date of all the Notes was extended to September 30, 2016, the interest rate was modified, and the repayment plan was altered. In exchange for these accommodations, the lenders received additional membership units.

28. This First Amendment was signed by Kirk Honour on behalf of Defendants Titan CNG, Titan Blaine, Titan El Toro, and Titan Diamond Bar—the later three in reaffirmation of their obligations under the Security Agreements and Pledge Agreements, in addition to other documents.

29. On September 26, 2016, the parties entered into a Second Amendment to the Senior Bridge Loan Documents ("Second Amendment"), attached hereto as Exhibit A-5.

30. Under the Second Amendment Defendants were allowed to extend the maturity dates of the Notes to October 31, 2017 provided they were not in default and made certain additional payments. They exercised this option, but still failed to pay on the maturity date, putting the Notes in default as of October 31, 2017. They remain in default.

31. Plaintiffs were not interested in simply investing \$800,000 of their money with no security that it would be paid back. To that end, Plaintiffs required that Defendants Kirk Honour and Scott Honour provide personal guarantees of repayment. This was agreed-upon by all parties. Despite this agreement, the Honours have only provided written guarantees related to Hayden's \$250,000 note, and have not yet provided the written personal guarantees related to Enrico's \$400,000 note, or Hayden's \$150,000 note as promised. This is a breach of the parties' agreements. The written personal guarantees are attached hereto as Exhibit A-6.

32. The loan documents themselves illustrate that Scott Honour and Kirk Honour agreed to provide personal guarantees for the additional indebtedness Titan was incurring. For example, the Second Amendment plainly states that "each of the parties hereto, along with each *guarantor* and subsidiaries of the Borrower *agree it shall have the same* rights, preferences and *security of each other Bridge Note.*" This is consistent with the parties' agreements—that if Hayden and Enrico were going to make additional investments, they were going to require the same security for their investments that Hayden received for his initial \$250,000 bridge note. There are also emails among the parties and counsel reflecting that the personal guaranties were to be provided.

33. Minn Shares has admitted that the Notes are secured by a subordinate security interest on substantially all of the Company's assets and are personally guaranteed by Scott Honour and Kirk Honour.

34. Plaintiffs also required additional assurance in the form of collateral to ensure repayment of their investments. To that end, the parties entered into a Security Agreement whereby Defendants pledged three gas stations and their assets as collateral for the investments made by Plaintiffs. The Security Agreement is attached hereto as Exhibit A-7. This Security Agreement was later amended; the current version being the Seconded Amended and Restated Security Agreement, which is attached hereto as Exhibit A-8.

35. The Security Agreement was designed to ensure the prompt and complete payment and performance of Borrowers' (the four Titan entities) obligations to Plaintiffs. Specifically, the four entities granted security interests to Plaintiffs in the Collateral, which is a defined term in the agreement, but which all parties understood to, at a minimum, include three gas stations owned by Defendants. Exhibit B to the Security Agreement lists the addresses of the three gas stations as:

1. 24201 El Toro Rd, Lake forest, CA 92630 [Titan El Toro, LLC].

2. 21865 Copley Dr Diamond Bar, CA 91765 [Titan Diamond Bar, LLC].

3. 2830 101st Ave NE, Blaine, MN 55449 [Titan Blaine, LLC].

36. The core idea was that Plaintiffs' cumulative investment of \$800,000 in Defendants would be protected by Defendants pledging, as collateral, the three gas stations and their assets at these addresses. Defendants intentionally led Plaintiffs to believe two of the gas stations were fully operational and cash-flowing, and the other was being developed and would soon to be fully operational. Nothing could have been farther from the truth.

37. Moreover, Defendants specifically promised Plaintiffs that they would have first priority on the assets of the gas stations, concealing that there was already a secured bank lender who would have priority.

38. Defendants have also breached the terms of the Second Amended and Restated Security Agreement, including with respect to Section 2(a), by changing the company name from Minn Shares to EVO Transportation without following the required procedure.

**Events of Default and Plaintiffs' Remedies under the Bridge Notes**

39. The Notes provide that an "Event of Default" means, among other things, "[t]he failure to pay any principal of, and interest on or any other amount due under this Note when and as the same will become due and payable . . . and such failure continues unremedied for a period of two business days."

40. An Event of Default also occurs when:

A material default by Debtor [Titan CNG, LLC] or any entity in which Debtor controls or owns a majority of the outstanding equity interest therein . . . in the performance or observance of any covenant, condition, undertaking or agreement contained in this Note, the Security Agreement . . . or the Pledge Agreements . . . and such default continues for a period of 30 days after notice by Holder to Debtor of such default.

41. The Notes detail Plaintiffs' remedies when Defendants commit Events of Default. Specifically, the Plaintiffs are entitled to "(a) . . . declare all indebtedness evidenced by this Note to be immediately due and payable . . . (d) exercise and enforce its rights and remedies under this Note, the Security Agreement, and the Pledge Agreements; and (e) proceed to protect and enforce its rights under applicable law."

42. The Notes state that Plaintiffs do not waive any of their rights via course of dealing or delay and/or failure on the part of Plaintiffs to exercise their rights. Moreover, once the Notes are in default, the amounts due are subject to default interest rates.

43. Defendants are obligated by the Notes to pay for Plaintiffs' costs, expenses, and attorneys' fees incurred in collecting the sums due under the Note, or otherwise enforcing Plaintiffs' rights.

**Defendants Breach the Contracts and Plaintiffs Discover Defendants' Fraud**

44. Defendants have repeatedly committed Events of Default under the Notes. Plaintiffs have time-and-time-again allowed amendments to the Senior Bridge Loan Documents to help Defendants become current, but despite all of Plaintiff's assistance, Defendants have persisted in their defaults, and have now defaulted on the loans in their entirety by failing to pay by the maturity dates, among other defaults.

45. Throughout the parties' history, Defendants have repeatedly failed to pay principal and interest when due under the applicable notes.

46. The maturity date for the Notes under the Second Amendment was October 31, 2017. Defendants have failed to repay the loans. Interest payments were also owed on the same date, and were not made. Defendants have failed to make either of those payments to date.

47. Defendants have also committed material defaults qualifying as Events of Default. For example, Defendants' have failed to pay legal fees associated with Plaintiffs' enforcement of their rights under the Notes. On multiple occasions, due to Defendants default and failure to abide by their repayment obligations, Plaintiffs (without waiving any rights) entered into amendments of the loan documents with Defendants. These transactions were an exercise of Plaintiffs' rights, were caused by Defendants' non-payments/default, and necessitated attorneys' fees. Plaintiffs sent an invoice for the fees on numerous occasions in April, May, and July of 2017. Defendants have refused to pay the legal invoices despite a clear contractual obligation to do so. This continued failure to pay constitutes an Event of Default under the Notes.

48. Defendants have also committed material defaults by fraudulently misrepresenting the state of the assets pledged as collateral under the Security Agreement, and disposing of same without approval.

49. On or about August or September of 2017, Plaintiffs discovered that Defendants had lied about the state and value of the three gas stations they pledged as collateral for Plaintiffs' Notes. Specifically, one of the gas stations was defunct, out of business, and no longer of going concern. Defendants had represented that one of the gas stations was in the process of being built and would be finished and fully operational shortly, but Defendants never completed construction or got the business up and running. Upon information and belief, Defendants never intended to finish the gas station. The third station was sold without approval from Plaintiffs and some of its assets were moved to Texas or Colorado. Defendants were supposed to have used Plaintiffs' loans to purchase additional equipment for the gas stations that would result in additional collateral for the loans, but that is not how Plaintiffs' money was used.

50. Moreover, Defendants represented to Plaintiffs that Plaintiffs would have first priority over all of the collateral pledged in the Security Agreement. Later, Plaintiffs discovered that there were leasehold mortgages on the gas stations that would have priority over Plaintiffs.

51. Upon information and belief, Defendants intentionally misrepresented the state of the collateral in an attempt to defraud Plaintiffs and con them into investing without adequate protection for their investments. Defendants appear to have been playing a shell game whereby they found ways to raise money through fraudulent misrepresentations, and are now attempting to leave no entity or assets to recover against when Defendants failed to repay the Notes by executing a series of mergers.

52. Similarly, Defendants Kirk and Scott Honour failed to deliver two out of three written personal guarantees that were promised in exchange for the Notes. Specifically, the Honours provided a written personal guarantee for Hayden's first \$250,000, but despite



agreements that written personal guarantees would be provided for Hayden's second \$150,000 note and Enrico's \$400,000 note, they have yet to be provided.

**The Largely Secret Mergers and Attempts to Avoid the Debts**

53. Upon information and belief, Defendants have engaged in a series of merger transactions—all with inadequate notice to Plaintiffs—in order to try to place additional liability shields to prevent what was formerly Titan CNG from paying its debts.

54. Defendant Minn Shares Inc. was incorporated in 2010 and is based in Minneapolis, Minnesota. On or around November 22, 2016, Minn Shares Inc. was acquired by Titan CNG, LLC, in a reverse merger transaction. Though the company retained the name "Minn Shares," Titan CNG was the still existing entity. Specifically, the business plan of Titan became the business plan of Minn Shares, all officers of Minn Shares resigned and were replaced by officers designated by Titan, and Titan took a 91.25% controlling interest of Minn Shares outstanding common stock. Titan CNG does not escape liability by renaming itself Minn Shares. The new company is fully liable for Titan CNG's debts incurred before the securities exchange.

55. Defendants Minn Shares changed its name to EVO Transportation & Energy Services, Inc. after the merger; effective August 31, 2017. The company did this after it also acquired Environmental Alternative Fuels, Inc. and EVO CNG, LLC. Once again, the name change to Minn Shares, and subsequent name change to EVO Transportation does not change the fact that the company is still liable for Titan CNG's debts.

56. Plaintiffs understand that Minn Shares/EVO Transportation are disclaiming any liability under the Notes, and upon information and belief, the mergers may have been part of a plan to avoid the Titan entities clear obligations to Plaintiffs and others.

57. The companies have ushered in new management who seem to think they can simply avoid the debts of Titan CNG by playing shells games.

58. As successor entities, Defendants EVO Transportation and Minn Shares are responsible for Titan CNG's debt and its repayment obligations to Plaintiffs.

**COUNT I – BREACH OF CONTRACT**  
**(ALL DEFENDANTS)**

59. Plaintiffs reassert and reallege all of the allegations in the preceding paragraphs as if fully set forth herein.

60. Plaintiffs made secured bridge loans totaling \$800,000 to Defendants. These loans were memorialized in three Secured Bridge Notes. The Notes were represented to be supported by real and adequate consideration.

61. Defendants have defaulted on their obligations by failing to timely make interest and principal payments, and otherwise violating the material terms of the agreements. Defendants are currently in default.

62. As a direct and proximate result of Defendants' breaches of the terms of the Notes, Plaintiffs suffered damages in excess of Fifty Thousand Dollars (\$50,000.00), in an amount to be later determined at trial, together with applicable interest, costs, disbursements, attorneys' fees, and amounts otherwise recoverable in law or equity.

**COUNT II – BREACH OF IMPLIED COVENANT OF**  
**GOOD FAITH AND FAIR DEALING**  
**(ALL DEFENDANTS)**

63. Plaintiffs reassert and reallege all of the allegations in the preceding paragraphs as if fully set forth herein.

64. There is an implied covenant of good faith and fair dealing in every contract.

65. Plaintiffs entered into contracts with Defendants as detailed above.

66. Defendants have not acted in good faith or dealt in a fair manner with Plaintiffs with regards to their agreements. They committed fraud and have attempted to avoid their obligations to serve their ulterior motives. There were implied agreements and understandings that the value of the collateral would be more than sufficient to secure Plaintiffs' repayment and that the Honours would provide the same personal guarantees that they provided with Hayden's initial investment, for Hayden's second investment, and the Enrico Trust's investment.

67. Defendants have breached the implied covenant of good faith and fair dealing, and have breached the implied terms.

68. As a direct and proximate result of Defendants' breaches, Plaintiffs suffered damages in excess of Fifty Thousand Dollars (\$50,000.00), in an amount to be later determined at trial, together with applicable interest, costs, disbursements, attorney's fees, and amounts otherwise recoverable in law or equity.

**COUNT III – FRAUD/FRAUDULENT MISREPRESENTATION**  
**(ALL DEFENDANTS)**

69. Plaintiffs reassert and reallege all of the allegations in the preceding paragraphs as if fully set forth herein.

70. In exchange for the Notes, Defendants offered to provide security for the repayment of the Notes in the form of collateral designated under the Security Agreements. Three gas stations were offered as collateral, which was acceptable to Plaintiffs.

71. However, unbeknownst to Plaintiffs, Defendants concealed the fact that the gas stations were not suitable and/or adequate collateral. Specifically, Defendants intentionally led Plaintiffs to believe the gas stations were already in existence and operational, or would soon be finished and become operational. This was not the case. One of the gas stations was defunct, one was never built, and one was sold off without any notification to Plaintiffs.

72. Defendants Scott Honour, Kirk Honour, and John Yeros, in their capacity as agents of Titan CNG, made false representations to Plaintiffs about the collateral being pledged to Plaintiffs in exchange for their investments.

73. Defendants falsely represented that the gas stations being pledged as collateral were fully operating and of going concern. Defendants also falsely represented that Plaintiffs would have first priority in the collateral—concealing leasehold interests by a bank. Defendants falsely represented that they had fleet customer contract accounts that would help stabilize the business. Defendants also falsely represented that all the bridge lenders were converting to stock when this was not the case.

74. Defendants knew these representations were false at the time they were made, or made them with reckless indifference to the truth.

75. Defendants made these representations to induce Plaintiffs to invest in Titan CNG.

76. Plaintiffs only invested in Titan CNG based on Defendants' representations related to the value and adequacy of the collateral and first priority in same.

77. As a direct and proximate result of Defendants' fraudulent misrepresentations, Plaintiffs suffered damages in excess of Fifty Thousand Dollars (\$50,000.00), in an amount to be later determined at trial, together with applicable interest, costs, disbursements, attorney's fees, and amounts otherwise recoverable in law or equity.

**COUNT IV – SUCCESSOR LIABILITY**  
**(MINN SHARES AND EVO TRANSPORTATION)**

78. Plaintiffs reassert and reallege all of the allegations in the preceding paragraphs as if fully set forth herein.

79. Minn Shares and EVO Transportation, through amalgamation, consolidation, or other assumption of interests, are vested with the rights and duties of Titan CNG, LLC.

80. Titan CNG has undergone a series of mergers. Defendants Minn Shares and EVO Transportation are liable for Titan CNG's debts to Plaintiff under the doctrine of successor liability.

81. Upon information and belief, in the course of the mergers, Defendants Minn Shares and EVO Transportation, expressly or impliedly agreed to assume Titan CNG's debts; the transactions at issue amounted to a consolidation or de facto merger of the companies; the purchasing companies were merely a continuation of the selling company, the transactions were entered into fraudulently in order to escape liability for Titan CNG's debts, and/or the transaction happened in the absence of adequate consideration for the sale or transfer.

82. As such, Defendants Minn Shares and EVO Transportation are liable for repayment of the Secured Bridge Notes, and are liable for Defendants' failure to perform and breaches of the Senior Bridge Loan Documents.

#### **COUNT V – UNJUST ENRICHMENT**

83. Plaintiffs reassert and reallege all of the allegations in the paragraphs as if fully set forth herein.

84. Defendants received benefits at the expense of Plaintiffs when they received \$800,000 and failed to repay it with interest.

85. Defendants' retention of these benefits is inequitable, immoral, and unjust.

86. As a result of Defendants' unjust enrichment, Plaintiffs have been damaged in an amount in excess of \$50,000, the specific amount of which will be determined at trial.

**COUNT VI – BREACH OF FIDUCIARY DUTY**  
**(SCOTT HONOUR, KIRK HONOUR, JOHN YEROS)**

87. Plaintiffs reassert and reallege all of the allegations in the paragraphs as if fully set forth herein.

88. Plaintiffs were members of Titan CNG, and then became members of the successor companies, Minn Shares and EVO Transportation.

89. Defendants Scott Honour, Kirk Honour, and John Yeros were officers and directors during the time that Red Ocean and the Enrico Trust were members of Titan CNG and/or the successor companies.

90. Defendants owed fiduciary duties to Plaintiffs.

91. Defendants breached their fiduciary duties to Plaintiffs by intentionally concealing material information about company operations, including information related to disposing of collateral used to secure Plaintiffs' investments and mergers and acquisitions that Defendants would later use to try to justify failing to repay monies owed to Plaintiffs. Defendants also misrepresented that the investments made by Plaintiffs would be used to purchase additional assets that would serve as eventual collateral. Defendants also failed to notify Brenton Hayden of board meetings as required.

92. As a direct and proximate result of Defendants' breaches of fiduciary duties, Plaintiffs suffered damages in excess of Fifty Thousand Dollars (\$50,000.00), in an amount to be later determined at trial, together with applicable interest, costs, disbursements, attorney's fees, and amounts otherwise recoverable in law or equity.

**WHEREFORE**, Plaintiffs respectfully request that this Court enter judgment against Defendants as follows:



- A. Awarding Plaintiffs a judgment against Defendants in an amount in excess of \$50,000, the exact amount to be proven at trial;
- B. Awarding Plaintiffs their interest, costs, disbursements, and attorneys' fees.
- C. For all other relief the Court deems just and equitable.

**MESSERLI & KRAMER P.A.**

Dated: January 22, 2018

s/Christopher J. Haugen

John Harper III (#0041397)  
Christopher J. Haugen (#393138)  
1400 Fifth Street Towers  
100 South Fifth Street  
Minneapolis, MN 55402  
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[chaugen@messerlikramer.com](mailto:chaugen@messerlikramer.com)

**ATTORNEYS FOR PLAINTIFF****ACKNOWLEDGMENT**

By its undersigned counsel, Plaintiffs hereby acknowledge that sanctions may be imposed under Minn. Stat. § 549.211 only in appropriate circumstances.

Dated: January 22, 2018

s/Christopher J. Haugen

John Harper III (#0041397)  
Christopher J. Haugen (#0393138)

# EXHIBIT A-1

kwiktag • legal 702 753 636



The securities represented by this instrument have not been registered under the Securities Act of 1933, as amended, and may not be sold, transferred, assigned, pledged, or hypothecated unless and until registered under such act, or unless the Debtor has received an opinion of counsel or other evidence, satisfactory to the Debtor and its counsel, that such registration is not required.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT AND ARE BEING SOLD IN RELIANCE UPON AN EXEMPTION PROVIDED BY SECTION 517.061 THEREOF. UNLESS THE SECURITIES ARE REGISTERED, THEY MAY NOT BE REOFFERED FOR SALE OR RESOLD IN THE STATE OF FLORIDA EXEMPT AS AN EXEMPT SECURITY OR IN AN EXEMPT TRANSACTION UNDER SAID ACT.

EACH OFFEREE WHO IS A FLORIDA RESIDENT SHOULD BE AWARE THAT ANY SALE MADE TO RESIDENTS OF FLORIDA SHALL BE VOIDABLE WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER OR TO THE PLACEMENT AGENT. EACH PERSON ENTITLED TO EXERCISE SUCH RIGHT TO WITHDRAW AND WHO WISHES TO EXERCISE SUCH RIGHT MUST CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO THE ISSUER OR PLACEMENT AGENT WITHIN THE AFOREMENTIONED THREE-DAY PERIOD.

THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT AS DEFINED BY SECTION 1273(a)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO THE INFORMATION REPORTING REQUIREMENTS SET FORTH IN TREASURY REGULATION 1.1275-3.

UPON WRITTEN REQUEST TO KIRK HONOUR OF TITAN CNG LLC, AT 315 LAKE STREET E., SUITE 301, WAYZATA, MN 55391 INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY WILL PROMPTLY BE MADE AVAILABLE.

THIS SECURED BRIDGE NOTE IS ONE IN A SERIES OF SECURED BRIDGE NOTES BEING ISSUED IN CONNECTION WITH A BRIDGE FINANCING OF UP TO \$1,500,000, INCLUDING, WITHOUT LIMITATION, THOSE CERTAIN SECURED BRIDGE NOTES DATED ON OR ABOUT THE DATE HEREOF BY TITAN CNG LLC IN FAVOR OF EACH OF THOMAS J. ABOOD REVOCABLE TRUST U/A DATED AUGUST 17, 2012, AS AMENDED, JAMES JACKSON, THE ALPETER FAMILY LIMITED PARTNERSHIP, AND DAVID M. LEAVENWORTH, AND ANY PAYMENTS AND ACCESS TO COLLATERAL WILL BE ON A PARI PASSU BASIS WITH SUCH OTHER SECURED BRIDGE NOTES.

**SECURED BRIDGE NOTE**

\$250,000.00

February 29, 2016  
Minneapolis, Minnesota

FOR VALUE RECEIVED, TITAN CNG LLC, a Delaware limited liability company (the "Debtor"), promises to pay to the order of Red Ocean Consulting, LLC, a Florida limited liability company ("Holder"), the principal sum of \$250,000.00, together with interest, in the manner provided in this Note.

1. Repayment of Principal. All outstanding principal, if not previously paid, will be due and payable on June 28, 2016 (the "Stated Maturity Date").

2. Interest.

2.1 Interest will accrue on all outstanding unpaid amounts evidenced by this Note at an interest rate of 12% per year; provided that if written notice is given by Holder to Debtor of the occurrence of an Event of Default (as defined below), and if Debtor fails to cure the Event of Default within ten (10) days after receipt of such notice, the interest rate will increase to 15% per year.

2.2 All interest will be computed on the basis of a 365-day year containing 12 months, counting the actual number of days in each month. Except as otherwise provided in Section 2.4, all interest will be payable in kind on (and thereby increase) the outstanding principal amount of this Note (as such principal is increased from time to time) until the Stated Maturity Date. All accrued interest will be due and payable on the Stated Maturity Date.

2.3 In the event that the Note is prepaid prior to the Stated Maturity Date, a minimum amount of interest equal to four months' interest will be deemed payable under this Note.

2.4 Notwithstanding anything to the contrary herein, if the aggregate amount of accrued but unpaid interest (including payable in kind interest) on this Note and all unpaid original issue discount on this Note as of the Stated Maturity Date would, but for this provision, exceed an amount equal to the product of:

(a) the issue price (as defined in Sections 1273(b) and 1274(a) of the Internal Revenue Code of 1986, as amended (the "Code")) of this Note; and

(b) the yield to maturity (interpreted in accordance with Section 163(i) of the Code) of this Note (such product, the "Maximum Accrual"),

then all accrued and unpaid interest (including the payable in kind interest) and original issue discount on this Note in excess of an amount equal to the Maximum Accrual shall be paid in cash prior to the Stated Maturity Date.

It is the intent of the parties that the cash payments required by this Section 2.4 will cause this Note to not be classified as "applicable high yield discount obligations" within the meaning of Section 163(i) of the Code. To the extent that for any reason these provisions do not accomplish this purpose, the parties may modify the payment terms in this Section 2.4 to accomplish the purpose.

3. Method of Payment for Principal and Interest. All payments with respect to this Note will be made by wire transfer, in immediately available funds, to such account as Holder may specify in writing, without any presentation of this Note. Each payment with respect to this Note will be applied (i) first, to any fees, expenses or other amounts (other than principal and interest) due under this Note, (ii) second, to accrued interest, and (iii) third, to outstanding principal. Whenever any payment to be made under this Note is due on a Saturday, Sunday or holiday for banks under the laws of the State of Delaware, such payment may be made on the next succeeding bank business day, and such extension of time will in such case be included in the computation of the amount of interest due.

4. Equity. From and after the occurrence of any Event of Default and until such Event of Default is remedied to the reasonable satisfaction of Holder, Debtor will issue Holder 1,250 Class A Membership Units (as defined in the Amended and Restated Limited Liability Company of Debtor (the "LLC Agreement")) on the date of such Event of Default and each 90 day interval thereafter until all amounts due and owing under this Note have been paid in full.

5. Events of Default. An "Event of Default" means any of the following:

5.1 The failure to pay any principal of, and interest on or any other amount due under this Note when and as the same will become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise and such failure continues unremedied for a period of two business days.

5.2 A material default by Debtor or any entity in which Debtor controls or owns a majority of the outstanding equity interest therein (each a "Subsidiary" and collectively along with each other Subsidiary and the Debtor, the "Debtor Group" and each individually a "Debtor Group Member") in the performance or observance of any covenant, condition, undertaking or agreement contained in this Note, the Security Agreement dated on or about the date hereof among Holder, other holders of notes issued in connection herewith and the Debtor Group Members (the "Security Agreement"), or the Pledge Agreements dated on or about the date hereof among Holder, on the one hand, and the other holders of notes issued in connection herewith and the Debtor (the "Pledge Agreements"), and such default continues for a period of 30 days after notice by Holder to Debtor of such default.

5.3 If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), a Debtor Group Member (a) commences a voluntary case or proceeding; (b) consents to the entry of an order for relief against a Debtor Group Member in an involuntary case; (c) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official; (d) makes an assignment for the benefit of the creditors of any Debtor Group Member; or (e) admits in writing Debtor Group Member's inability to pay its debts as they become due.

5.4 If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (a) is for relief against a Debtor Group Member in an involuntary case, (b) appoints a trustee, receiver, assignee, liquidator or similar official for Debtor or substantially all of a Debtor Group Member's properties, or (c) orders the liquidation of a Debtor Group Member and in each case the order or decree is not dismissed within 90 days.

5.5 A Debtor Group Member shall fail to discharge within a period of thirty (30) days after the commencement thereof any attachment, sequestration, or similar proceeding or proceedings involving an aggregate amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) against any of its assets or properties.

5.6 A Debtor Group Member shall fail to satisfy and discharge promptly any judgment or judgments against it for the payment of money in an aggregate amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00).

5.7 A Debtor Group Member shall default in the payment of any of its indebtedness having an aggregate principal amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000), beyond any applicable grace period, or shall default, in any material respect, in its performance of any material agreement binding upon it or its property.

## 6. Remedies.

6.1 From and after the occurrence of any Event of Default, Holder will be entitled to: (a) by written notice to the Debtor, declare all indebtedness evidenced by this Note to be immediately due and payable; (b) by written notice to the Debtor, require Debtor and each applicable Subsidiary to execute and deliver one or more leasehold mortgages to Holder in form and substance reasonably acceptable to Debtor and Holder to secure the Debtor Group Members' obligations under the Security Agreement; (c) apply any and all amounts owed to Debtor by the Holder to the payment of this Note; (d) exercise and enforce its rights and remedies under this Note, the Security Agreement, and the Pledge Agreements; and (e) proceed to protect and enforce its rights under applicable law.

6.2 No course of dealing on the part of Holder or any delay or failure on the part of Holder to exercise any right will operate as a waiver of such right or otherwise prejudice the Holder's rights, powers and remedies.

6.3 Debtor will pay to Holder such additional amounts as are sufficient to cover the costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Holder in collecting any sums due on account of this Note or otherwise in enforcing its rights hereunder.

7. Optional Prepayments. Subject to the minimum interest payment set forth in Section 2.3, the indebtedness evidenced by this Note may be prepaid, in whole or in part, at any time.

8. General.

8.1 Payment of principal or interest on this Note may only be made to, or upon the order of, the registered Holder. This Note is transferable only by surrender of this Note to the Debtor, duly endorsed or accompanied by a written instrument of transfer executed by the registered Holder. Upon surrender of this Note for transfer as provided above, Debtor will issue a new Note to, and register such new Note in the name of, the transferee and such new Note must contain the same legend as provided in this Note.

8.2 Debtor:

(a) except as provided in Section 6, waives diligence, presentment, demand for payment, notice of dishonor, notice of non-payment, protest, notice of protest, and any and all other demands in connection with the delivery, acceptance, performance, default or enforcement of this Note;

(b) agrees that Holder will have the right, without notice, to grant any extension of time for payment of any indebtedness evidenced by this Note or any other indulgence or forbearance whatsoever;

(c) agrees that no failure on the part of Holder to exercise any power, right or privilege hereunder, or to insist upon prompt compliance with the terms of this Note, will constitute a waiver of that power, right or privilege; and

(d) agrees that the acceptance at any time by Holder of any past due amounts will not be deemed to be a waiver of the requirement to make prompt payment when due of any other amounts then or hereafter due and payable.

8.3 This Note will be construed and enforced in accordance with the substantive laws of the State of Delaware without giving effect to the conflicts of laws principles of any jurisdiction.

8.4 AT THE OPTION OF HOLDER, THIS NOTE MAY BE ENFORCED IN ANY STATE OR FEDERAL COURT SITTING IN MINNEAPOLIS OR ST. PAUL, MINNESOTA, AND DEBTOR CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT DEBTOR COMMENCES AN ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, OR ALLEGING ANY BREACH OF THIS NOTE, HOLDER AT ITS OPTION IS ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES DESCRIBED ABOVE, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

8.5 DEBTOR WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION BASED ON OR PERTAINING TO THIS NOTE.

8.6 This Note is secured by the Security Agreement and the Pledge Agreements.

8.7 Debtor will cause Brenton Hayden to be a member of the Board of Managers of Debtor for a renewable three year term so long as Holder holds a majority of the membership interests of Debtor being issued to Holder pursuant to that certain Subscription and Investment Representation Agreement dated the date hereof between Debtor and Holder (the "Subscription Agreement"); provided, however, that in the event that there is a Public Offering or Sale of Company (each as defined in the LLC Agreement) or other reorganization of Debtor, Debtor may terminate the board position granted pursuant to this Section 8.7.

8.8 Debtor and Holder agree that (a) this Note and the membership interests of Debtor being issued to Holder pursuant to the Subscription Agreement constitute an "investment unit" for purposes of Section 1273(c)(2)(A) of the Internal Revenue Code of 1986, as amended, (b) the total issue price of the investment unit being issued to Holder is equal to the principal amount of this Note, and (c) for tax purposes, the allocation of the total issue price among this Note and the membership interests in proportion to its fair market value results in an original issue discount. None of the parties will take any position in its tax returns or otherwise that is inconsistent with this paragraph.

8.9 On or before two weeks following the date of this Note, Debtor will deliver to Holder a deposit account control agreement with respect to its deposit bank accounts.

8.10 The parties acknowledge and agree that at the closing of the offering contemplated by the PPM (as defined in the Subscription Agreement) (the "PPM Closing"), provided this Note is not then in default, (a) \$150,000 of the principal and accrued and unpaid interest under this Note will be converted into the securities issued pursuant to the PPM Closing (it being understood that the resulting Class A Membership Unit Convertible Notes shall entitle Holder to convert such note into Class A Membership Units at the lesser of the price offered to all holders thereof or \$10.00 per unit (subject to equitable adjustment for any unit splits or combinations, unit distributions or dividend or similar transactions), and (b) the remaining balance under this Note may be converted into the securities issued pursuant to the PPM Closing at the option of Holder under the same terms.

8.11 Acknowledgement of Bridge Financing. Holder acknowledges and agrees that (a) this Note is one in a series of Secured Bridge Notes (collectively, the "Bridge Financing"), (b) Debtor may seek up to \$1,500,000 in connection with the Bridge Financing, and (c) Holder will exchange this Note and the documents and agreements executed in connection herewith for updated documents and agreements that reflect any change to Holder's pro rata percentage of the outstanding balance under the Bridge Financing.

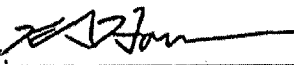


**8.12 Alpeter Signature Pages.** Borrower will deliver to Holder or its legal counsel the Alpeter Family Limited Partnership's signature pages to the Subordination Agreement dated the date hereof among Debtor, Holder and the Alpeter Family Limited Partnership by March 4, 2016. The failure to deliver such signature pages by March 4, 2016 will constitute an Event of Default under and as defined by this Note.

\*\*\*\*\*

IN WITNESS WHEREOF, Debtor has caused this Note to be signed by a duly authorized officer and dated as of the date first above written.

TITAN CNG LLC

By: 

Name: Kirk S. Honour  
Its: President

Acknowledged and Agreed:

RED OCEAN CONSULTING, LLC

By: \_\_\_\_\_  
Name: Brenton Hayden  
Title: Manager

[Signature Page to Bridge Note]

IN WITNESS WHEREOF, Debtor has caused this Note to be signed by a duly authorized officer and dated as of the date first above written.

TITAN CNG LLC

By: \_\_\_\_\_  
Name: Kirk S. Honour  
Its: President

Acknowledged and Agreed:

RED OCEAN CONSULTING, LLC

By: B. Hayden  
Name: Brenton Hayden  
Title: Manager

[Signature Page to Bridge Note]

# EXHIBIT A-2

The securities represented by this instrument have not been registered under the Securities Act of 1933, as amended, and may not be sold, transferred, assigned, pledged, or hypothecated unless and until registered under such act, or unless the Debtor has received an opinion of counsel or other evidence, satisfactory to the Debtor and its counsel, that such registration is not required.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE FLORIDA SECURITIES ACT AND ARE BEING SOLD IN RELIANCE UPON AN EXEMPTION PROVIDED BY SECTION 517.061 THEREOF. UNLESS THE SECURITIES ARE REGISTERED, THEY MAY NOT BE REOFFERED FOR SALE OR RESOLD IN THE STATE OF FLORIDA EXEMPT AS AN EXEMPT SECURITY OR IN AN EXEMPT TRANSACTION UNDER SAID ACT.

EACH OFFEREE WHO IS A FLORIDA RESIDENT SHOULD BE AWARE THAT ANY SALE MADE TO RESIDENTS OF FLORIDA SHALL BE VOIDABLE WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER OR TO THE PLACEMENT AGENT. EACH PERSON ENTITLED TO EXERCISE SUCH RIGHT TO WITHDRAW AND WHO WISHES TO EXERCISE SUCH RIGHT MUST CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO THE ISSUER OR PLACEMENT AGENT WITHIN THE AFOREMENTIONED THREE-DAY PERIOD.

THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT AS DEFINED BY SECTION 1273(a)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO THE INFORMATION REPORTING REQUIREMENTS SET FORTH IN TREASURY REGULATION 1.1275-3.

UPON WRITTEN REQUEST TO KIRK HONOUR OF TITAN CNG LLC, AT 315 LAKE STREET E., SUITE 301, WAYZATA, MN 55391 INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY WILL PROMPTLY BE MADE AVAILABLE.

THIS SECURED BRIDGE NOTE IS ONE IN A SERIES OF SECURED BRIDGE NOTES BEING ISSUED IN CONNECTION WITH A BRIDGE FINANCING OF UP TO \$1,500,000, INCLUDING, WITHOUT LIMITATION, THOSE CERTAIN SECURED BRIDGE NOTES DATED ON OR ABOUT THE DATE HEREOF BY TITAN CNG LLC IN FAVOR OF EACH OF THOMAS J. ABOOD REVOCABLE TRUST U/A DATED AUGUST 17, 2012, AS AMENDED, JAMES JACKSON, THE ALPETER FAMILY LIMITED PARTNERSHIP, DAVID M. LEAVENWORTH, AND BONITA BEACH BLUES, INC. (COLLECTIVELY, THE "OTHER BRIDGE LENDERS") AND ANY PAYMENTS AND ACCESS TO COLLATERAL WILL BE ON A PARI PASSU BASIS WITH SUCH OTHER SECURED BRIDGE NOTES.

**SECURED BRIDGE NOTE**

\$150,000.00

September 26, 2016  
Minneapolis, Minnesota

FOR VALUE RECEIVED, TITAN CNG LLC, a Delaware limited liability company (the "Debtor"), promises to pay to the order of Red Ocean Consulting, LLC, a Florida limited liability company ("Holder"), the principal sum of \$150,000.00, together with interest, in the manner provided in this Note.

1. Repayment of Principal. All outstanding principal, if not previously paid, will be due and payable on January 31, 2017 (the "Stated Maturity Date"), as the same may be extended pursuant to that certain Second Amendment to Senior Bridge Loan Documents, dated as of the date hereof, among Debtor, its subsidiaries, Scott Honour and Kirk Honour, on one hand, and Holder and the Other Bridge Lenders, on the other hand (the "Second Amendment"), which Second Amendment is incorporated herein by this reference and made a part of this Note

2. Interest.

2.1 Interest will accrue on all outstanding unpaid amounts evidenced by this Note at an interest rate of 16% per year; provided that if written notice is given by Holder to Debtor of the occurrence of an Event of Default (as defined below), and if Debtor fails to cure the Event of Default within ten (10) days after receipt of such notice, the interest rate will increase to 18% per year.

2.2 All interest will be computed on the basis of a 365-day year containing 12 months, counting the actual number of days in each month. Prior to the occurrence of any Event of Default (in which case this Note shall be due and payable in full), payments of interest shall be made pursuant to the terms of the Second Amendment.

2.3 In the event that the Note is prepaid prior to the Stated Maturity Date, a minimum amount of interest equal to four months' interest will be deemed payable under this Note.

2.4 Notwithstanding anything to the contrary herein, if the aggregate amount of accrued but unpaid interest (including payable in kind interest) on this Note and all unpaid original issue discount on this Note as of the Stated Maturity Date would, but for this provision, exceed an amount equal to the product of:

(a) the issue price (as defined in Sections 1273(b) and 1274(a) of the Internal Revenue Code of 1986, as amended (the "Code")) of this Note; and

(b) the yield to maturity (interpreted in accordance with Section 163(i) of the Code) of this Note (such product, the "Maximum Accrual"),

then all accrued and unpaid interest (including the payable in kind interest) and original issue discount on this Note in excess of an amount equal to the Maximum Accrual shall be paid in cash prior to the Stated Maturity Date.

It is the intent of the parties that the cash payments required by this Section 2.4 will cause this Note to not be classified as "applicable high yield discount obligations" within the meaning of Section 163(i) of the Code. To the extent that for any reason these provisions do not accomplish this purpose, the parties may modify the payment terms in this Section 2.4 to accomplish the purpose.

3. Method of Payment for Principal and Interest. All payments with respect to this Note will be made by wire transfer, in immediately available funds, to such account as Holder may specify in writing, without any presentation of this Note. Each payment with respect to this Note will be applied (i) first, to any fees, expenses or other amounts (other than principal and interest) due under this Note, (ii) second, to accrued interest, and (iii) third, to outstanding principal. Whenever any payment to be made under this Note is due on a Saturday, Sunday or holiday for banks under the laws of the State of Delaware, such payment may be made on the next succeeding bank business day, and such extension of time will in such case be included in the computation of the amount of interest due.

4. Equity. From and after the occurrence of any Event of Default and until such Event of Default is remedied to the reasonable satisfaction of Holder, Debtor will issue Holder 750 Class A Membership Units (as defined in the Amended and Restated Limited Liability Company of Debtor (the "LLC Agreement")) on the date of such Event of Default and each 90 day interval thereafter until all amounts due and owing under this Note have been paid in full.

5. Events of Default. An "Event of Default" means any of the following:

5.1 The failure to pay any principal of, and interest on or any other amount due under this Note when and as the same will become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise and such failure continues unremedied for a period of two business days.

5.2 A material default by Debtor or any entity in which Debtor controls or owns a majority of the outstanding equity interest therein (each a "Subsidiary" and collectively along with each other Subsidiary and the Debtor, the "Debtor Group" and each individually a "Debtor Group Member") in the performance or observance of any covenant, condition, undertaking or agreement contained in this Note, the Security Agreement dated on or about the date hereof among Holder, other holders of notes issued in connection herewith and the Debtor Group Members (the "Security Agreement"), or the Pledge Agreements dated on or about the date hereof among Holder, on the one hand, and the other holders of notes issued in connection herewith and the Debtor (the "Pledge Agreements"), and such default continues for a period of 30 days after notice by Holder to Debtor of such default.

5.3 If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), a Debtor Group Member (a) commences a voluntary case or proceeding; (b) consents to

the entry of an order for relief against a Debtor Group Member in an involuntary case; (c) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official; (d) makes an assignment for the benefit of the creditors of any Debtor Group Member; or (e) admits in writing Debtor Group Member's inability to pay its debts as they become due.

5.4 If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (a) is for relief against a Debtor Group Member in an involuntary case, (b) appoints a trustee, receiver, assignee, liquidator or similar official for Debtor or substantially all of a Debtor Group Member's properties, or (c) orders the liquidation of a Debtor Group Member and in each case the order or decree is not dismissed within 90 days.

5.5 A Debtor Group Member shall fail to discharge within a period of thirty (30) days after the commencement thereof any attachment, sequestration, or similar proceeding or proceedings involving an aggregate amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) against any of its assets or properties.

5.6 A Debtor Group Member shall fail to satisfy and discharge promptly any judgment or judgments against it for the payment of money in an aggregate amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00).

5.7 A Debtor Group Member shall default in the payment of any of its indebtedness having an aggregate principal amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000), beyond any applicable grace period, or shall default, in any material respect, in its performance of any material agreement binding upon it or its property.

## 6. Remedies.

6.1 From and after the occurrence of any Event of Default, Holder will be entitled to: (a) by written notice to the Debtor, declare all indebtedness evidenced by this Note to be immediately due and payable; (b) by written notice to the Debtor, require Debtor and each applicable Subsidiary to execute and deliver one or more leasehold mortgages to Holder in form and substance reasonably acceptable to Debtor and Holder to secure the Debtor Group Members' obligations under the Security Agreement; (c) apply any and all amounts owed to Debtor by the Holder to the payment of this Note; (d) exercise and enforce its rights and remedies under this Note, the Security Agreement, and the Pledge Agreements; and (e) proceed to protect and enforce its rights under applicable law.

6.2 No course of dealing on the part of Holder or any delay or failure on the part of Holder to exercise any right will operate as a waiver of such right or otherwise prejudice the Holder's rights, powers and remedies.

6.3 Debtor will pay to Holder such additional amounts as are sufficient to cover the costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Holder in collecting any sums due on account of this Note or otherwise in enforcing its rights hereunder.



7. Optional Prepayments. Subject to the minimum interest payment set forth in Section 2.3, the indebtedness evidenced by this Note may be prepaid, in whole or in part, at any time.

8. General.

8.1 Payment of principal or interest on this Note may only be made to, or upon the order of, the registered Holder. This Note is transferable only by surrender of this Note to the Debtor, duly endorsed or accompanied by a written instrument of transfer executed by the registered Holder. Upon surrender of this Note for transfer as provided above, Debtor will issue a new Note to, and register such new Note in the name of, the transferee and such new Note must contain the same legend as provided in this Note.

8.2 Debtor:

(a) except as provided in Section 6, waives diligence, presentment, demand for payment, notice of dishonor, notice of non-payment, protest, notice of protest, and any and all other demands in connection with the delivery, acceptance, performance, default or enforcement of this Note;

(b) agrees that Holder will have the right, without notice, to grant any extension of time for payment of any indebtedness evidenced by this Note or any other indulgence or forbearance whatsoever;

(c) agrees that no failure on the part of Holder to exercise any power, right or privilege hereunder, or to insist upon prompt compliance with the terms of this Note, will constitute a waiver of that power, right or privilege; and

(d) agrees that the acceptance at any time by Holder of any past due amounts will not be deemed to be a waiver of the requirement to make prompt payment when due of any other amounts then or hereafter due and payable.

8.3 This Note will be construed and enforced in accordance with the substantive laws of the State of Delaware without giving effect to the conflicts of laws principles of any jurisdiction.

8.4 AT THE OPTION OF HOLDER, THIS NOTE MAY BE ENFORCED IN ANY STATE OR FEDERAL COURT SITTING IN MINNEAPOLIS OR ST. PAUL, MINNESOTA, AND DEBTOR CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT DEBTOR COMMENCES AN ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, OR ALLEGING ANY BREACH OF THIS NOTE, HOLDER AT ITS OPTION IS ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES DESCRIBED ABOVE, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

8.5 DEBTOR WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION BASED ON OR PERTAINING TO THIS NOTE.

8.6 This Note is secured by the Security Agreement and the Pledge Agreements.

8.7 Debtor will cause Brenton Hayden to be a member of the Board of Managers of Debtor for a renewable three year term so long as Holder holds a majority of the membership interests of Debtor being issued to Holder pursuant to that certain Subscription and Investment Representation Agreement dated as of February 29, 2016, between Debtor and Holder (the "Subscription Agreement"); provided, however, that in the event that there is a Public Offering or Sale of Company (each as defined in the LLC Agreement) or other reorganization of Debtor, Debtor may terminate the board position granted pursuant to this Section 8.7.

8.8 Debtor and Holder agree that (a) this Note and the membership interests of Debtor being issued to Holder pursuant to the Subscription Agreement constitute an "investment unit" for purposes of Section 1273(c)(2)(A) of the Internal Revenue Code of 1986, as amended, (b) the total issue price of the investment unit being issued to Holder is equal to the principal amount of this Note, and (c) for tax purposes, the allocation of the total issue price among this Note and the membership interests in proportion to its fair market value results in an original issue discount. None of the parties will take any position in its tax returns or otherwise that is inconsistent with this paragraph.

8.11 Acknowledgement of Bridge Financing. Holder acknowledges and agrees that (a) this Note is one in a series of Secured Bridge Notes (collectively, the "Bridge Financing"), (b) Debtor may seek up to \$1,500,000 in connection with the Bridge Financing, and (c) Holder will exchange this Note and the documents and agreements executed in connection herewith for updated documents and agreements that reflect any change to Holder's pro rata percentage of the outstanding balance under the Bridge Financing.

\* \* \* \* \*

TITAN CNG LLC

By:   
Name: Kirk S. Honour  
Its: President

Acknowledged and Agreed:

RED OCEAN CONSULTING, LLC

By: \_\_\_\_\_  
Name: Brenton Hayden  
Title: Manager

IN WITNESS WHEREOF, Debtor has caused this Note to be signed by a duly authorized officer and dated as of the date first above written.

TITAN CNG LLC

By: \_\_\_\_\_  
Name: Kirk S. Honour  
Its: President

Acknowledged and Agreed:

RED OCEAN CONSULTING, LLC

By: B. Hayden  
Name: Brenton Hayden  
Title: Manager

# EXHIBIT A-3

The securities represented by this instrument have not been registered under the Securities Act of 1933, as amended, and may not be sold, transferred, assigned, pledged, or hypothecated unless and until registered under such act, or unless the Debtor has received an opinion of counsel or other evidence, satisfactory to the Debtor and its counsel, that such registration is not required.

THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT AS DEFINED BY SECTION 1273(a)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE FOLLOWING INFORMATION IS PROVIDED PURSUANT TO THE INFORMATION REPORTING REQUIREMENTS SET FORTH IN TREASURY REGULATION 1.1275-3.

UPON WRITTEN REQUEST TO KIRK HONOUR OF MINN SHARES INC., AT 315 LAKE STREET E., SUITE 301, WAYZATA, MN 55391 INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY WILL PROMPTLY BE MADE AVAILABLE.

THIS SECURED BRIDGE NOTE IS ONE IN A SERIES OF SECURED BRIDGE NOTES BEING ISSUED IN CONNECTION WITH A BRIDGE FINANCING OF UP TO \$1,500,000, INCLUDING, WITHOUT LIMITATION, THOSE CERTAIN SECURED BRIDGE NOTES BY TITAN CNG LLC IN FAVOR OF EACH OF RED OCEAN CONSULTING, LLC, THOMAS J. ABOOD REVOCABLE TRUST U/A DATED AUGUST 17, 2012, AS AMENDED, JAMES JACKSON, THE ALPETER FAMILY LIMITED PARTNERSHIP, DAVID M. LEAVENWORTH, AND BONITA BEACH BLUES, INC. (COLLECTIVELY, THE "OTHER BRIDGE LENDERS") AND ANY PAYMENTS AND ACCESS TO COLLATERAL WILL BE ON A PARI PASSU BASIS WITH SUCH OTHER SECURED BRIDGE NOTES.

#### SECURED BRIDGE NOTE

\$400,000.00

January 31, 2017  
Minneapolis, Minnesota

FOR VALUE RECEIVED, TITAN CNG LLC, a Delaware limited liability company (the "Debtor"), promises to pay to the order of the Richard H. Enrico Revocable Trust Dated June 9, 1998 ("Holder"), the principal sum of \$400,000.00, together with interest, in the manner provided in this Note.

1. Repayment of Principal. All outstanding principal, if not previously paid, will be due and payable on April 30, 2017 (the "Stated Maturity Date"); provided, however, that if no default or Event of Default has occurred and is continuing Debtor may, in Debtor's sole discretion upon providing written notice to Holder, (i) extend the Stated Maturity Date to July 31, 2017 by paying Holder an additional fee equal to 1% of the then-outstanding balance due on this Note; and (ii) if the Stated Maturity Date was extended to July 31, 2017 as provided in the foregoing clause, subsequently extend the Stated Maturity Date to October 31, 2017 by paying Holder an additional fee equal to 1% of the then-outstanding balance due on this Note.

## 2. Interest.

2.1 Interest will accrue on all outstanding unpaid amounts evidenced by this Note at an interest rate of 16% per year; provided that if written notice is given by Holder to Debtor of the occurrence of an Event of Default (as defined below), and if Debtor fails to cure the Event of Default within ten (10) days after receipt of such notice, the interest rate will increase to 18% per year.

2.2 All interest will be computed on the basis of a 365-day year containing 12 months, counting the actual number of days in each month. Prior to the occurrence of any Event of Default (in which case this Note shall be due and payable in full), payments of interest only will be made on the last business day of each calendar month beginning on February 28, 2017 until the Stated Maturity Date (as the same may be extended as provided above) at which time the entire balance due on this Note shall be due and payable in full (unless previously converted).

2.3 Upon execution of this Note, Debtor will pay Holder an origination fee equal to 1% of the principal amount of this Note.

2.4 Notwithstanding anything to the contrary herein, if the aggregate amount of accrued but unpaid interest (including payable in kind interest) on this Note and all unpaid original issue discount on this Note as of the Stated Maturity Date would, but for this provision, exceed an amount equal to the product of:

(a) the issue price (as defined in Sections 1273(b) and 1274(a) of the Internal Revenue Code of 1986, as amended (the "Code")) of this Note; and

(b) the yield to maturity (interpreted in accordance with Section 163(i) of the Code) of this Note (such product, the "Maximum Accrual"),

then all accrued and unpaid interest (including the payable in kind interest) and original issue discount on this Note in excess of an amount equal to the Maximum Accrual shall be paid in cash prior to the Stated Maturity Date.

It is the intent of the parties that the cash payments required by this Section 2.4 will cause this Note to not be classified as "applicable high yield discount obligations" within the meaning of Section 163(i) of the Code. To the extent that for any reason these provisions do not accomplish this purpose, the parties may modify the payment terms in this Section 2.4 to accomplish the purpose.

3. Method of Payment for Principal and Interest. All payments with respect to this Note will be made by wire transfer, in immediately available funds, to such account as Holder may specify in writing, without any presentation of this Note. Each payment with respect to this Note will be applied (i) first, to any fees, expenses or other amounts (other than principal and interest) due under this Note, (ii) second, to accrued interest, and (iii) third, to outstanding principal. Whenever any payment to be made under this Note is due on a Saturday, Sunday or holiday for banks under the laws of the State of Delaware, such payment may be made on the

next succeeding bank business day, and such extension of time will in such case be included in the computation of the amount of interest due.

4. Equity. From and after the occurrence of any Event of Default and until such Event of Default is remedied to the reasonable satisfaction of Holder, Minn Shares Inc. will issue Holder 87,919 shares of common stock, par value \$0.0001, on the date of such Event of Default and each 90 day interval thereafter until all amounts due and owing under this Note have been paid in full.

5. Events of Default. An "Event of Default" means any of the following:

5.1 The failure to pay any principal of, and interest on or any other amount due under this Note when and as the same will become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise and such failure continues unremedied for a period of two business days.

5.2 A material default by Debtor or any entity in which Debtor controls or owns a majority of the outstanding equity interest therein (each a "Subsidiary" and collectively along with each other Subsidiary and the Debtor, the "Debtor Group" and each individually a "Debtor Group Member") in the performance or observance of any covenant, condition, undertaking or agreement contained in this Note, the Second Amended and Restated Security Agreement dated on or about the date hereof among Holder, other holders of Secured Bridge Notes and the Debtor Group Members (the "Security Agreement"), or the Pledge Agreement dated on or about the date hereof between Holder and Debtor (the "Pledge Agreement"), and such default continues for a period of 30 days after notice by Holder to Debtor of such default.

5.3 If, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors (a "Bankruptcy Law"), a Debtor Group Member (a) commences a voluntary case or proceeding; (b) consents to the entry of an order for relief against a Debtor Group Member in an involuntary case; (c) consents to the appointment of a trustee, receiver, assignee, liquidator or similar official; (d) makes an assignment for the benefit of the creditors of any Debtor Group Member; or (e) admits in writing Debtor Group Member's inability to pay its debts as they become due.

5.4 If a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (a) is for relief against a Debtor Group Member in an involuntary case, (b) appoints a trustee, receiver, assignee, liquidator or similar official for Debtor or substantially all of a Debtor Group Member's properties, or (c) orders the liquidation of a Debtor Group Member and in each case the order or decree is not dismissed within 90 days.

5.5 A Debtor Group Member shall fail to discharge within a period of thirty (30) days after the commencement thereof any attachment, sequestration, or similar proceeding or proceedings involving an aggregate amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) against any of its assets or properties.



5.6 A Debtor Group Member shall fail to satisfy and discharge promptly any judgment or judgments against it for the payment of money in an aggregate amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00).

5.7 A Debtor Group Member shall default in the payment of any of its indebtedness having an aggregate principal amount in excess of One Hundred Thousand and No/100 Dollars (\$100,000), beyond any applicable grace period, or shall default, in any material respect, in its performance of any material agreement binding upon it or its property.

6. Remedies.

6.1 From and after the occurrence of any Event of Default, Holder will be entitled to: (a) by written notice to the Debtor, declare all indebtedness evidenced by this Note to be immediately due and payable; (b) by written notice to the Debtor, require Debtor and each applicable Subsidiary to execute and deliver one or more leasehold mortgages to Holder in form and substance reasonably acceptable to Debtor and Holder to secure the Debtor Group Members' obligations under the Security Agreement; (c) apply any and all amounts owed to Debtor by the Holder to the payment of this Note; (d) exercise and enforce its rights and remedies under this Note, the Security Agreement, and the Pledge Agreement; and (e) proceed to protect and enforce its rights under applicable law.

6.2 No course of dealing on the part of Holder or any delay or failure on the part of Holder to exercise any right will operate as a waiver of such right or otherwise prejudice the Holder's rights, powers and remedies.

6.3 Debtor will pay to Holder such additional amounts as are sufficient to cover the costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Holder in collecting any sums due on account of this Note or otherwise in enforcing its rights hereunder.

7. Optional Prepayments. The indebtedness evidenced by this Note may be prepaid, in whole or in part, at any time without penalty.

8. General.

8.1 Payment of principal or interest on this Note may only be made to, or upon the order of, the registered Holder. This Note is transferable only by surrender of this Note to the Debtor, duly endorsed or accompanied by a written instrument of transfer executed by the registered Holder. Upon surrender of this Note for transfer as provided above, Debtor will issue a new Note to, and register such new Note in the name of, the transferee and such new Note must contain the same legend as provided in this Note.

8.2 Debtor:

(a) except as provided in Section 6, waives diligence, presentment, demand for payment, notice of dishonor, notice of non-payment, protest, notice of

protest, and any and all other demands in connection with the delivery, acceptance, performance, default or enforcement of this Note;

(b) agrees that Holder will have the right, without notice, to grant any extension of time for payment of any indebtedness evidenced by this Note or any other indulgence or forbearance whatsoever;

(c) agrees that no failure on the part of Holder to exercise any power, right or privilege hereunder, or to insist upon prompt compliance with the terms of this Note, will constitute a waiver of that power, right or privilege; and

(d) agrees that the acceptance at any time by Holder of any past due amounts will not be deemed to be a waiver of the requirement to make prompt payment when due of any other amounts then or hereafter due and payable.

8.3 This Note will be construed and enforced in accordance with the substantive laws of the State of Delaware without giving effect to the conflicts of laws principles of any jurisdiction.

8.4 AT THE OPTION OF HOLDER, THIS NOTE MAY BE ENFORCED IN ANY STATE OR FEDERAL COURT SITTING IN MINNEAPOLIS OR ST. PAUL, MINNESOTA, AND DEBTOR CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH FORUMS IS NOT CONVENIENT. IN THE EVENT DEBTOR COMMENCES AN ACTION IN ANOTHER JURISDICTION OR VENUE UNDER ANY TORT OR CONTRACT THEORY ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS NOTE, OR ALLEGING ANY BREACH OF THIS NOTE, HOLDER AT ITS OPTION IS ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES DESCRIBED ABOVE, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE.

8.5 DEBTOR WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION BASED ON OR PERTAINING TO THIS NOTE.

8.6 This Note is secured by the Security Agreement and the Pledge Agreement.

8.7 Debtor and Holder agree that (a) this Note and the shares of Minn Shares Inc. being issued to Holder pursuant to the Subscription Agreement constitute an "investment unit" for purposes of Section 1273(c)(2)(A) of the Internal Revenue Code of 1986, as amended, (b) the total issue price of the investment unit being issued to Holder is equal to the principal amount of this Note, and (c) for tax purposes, the allocation of the total issue price among this Note and the shares in proportion to its fair market value results in an original issue discount. None of the parties will take any position in its tax returns or otherwise that is inconsistent with this paragraph.

**8.8 Acknowledgement of Bridge Financing.** Holder acknowledges and agrees that (a) this Note is one in a series of Secured Bridge Notes (collectively, the "Bridge Financing"), (b) Debtor may seek up to \$1,500,000 in connection with the Bridge Financing, and (c) Holder will exchange this Note and the documents and agreements executed in connection herewith for updated documents and agreements that reflect any change to Holder's pro rata percentage of the outstanding balance under the Bridge Financing.

**8.9 Fees.** The Company shall pay for all reasonable legal fees and related costs incurred by Holder in connection with the preparation of this Note and related documents.

\* \* \* \* \*

IN WITNESS WHEREOF, Debtor has caused this Note to be signed by a duly authorized officer and dated as of the date first above written.

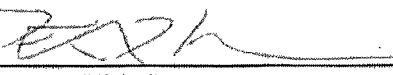
TITAN CNG LLC


By:   
Name: Kirk S. Honour  
Its: President

Acknowledged and Agreed:

MINN SHARES INC.

RICHARD H. ENRICO REVOCABLE  
TRUST DATED JUNE 9, 1998

By:   
Name: Kirk S. Honour  
Its: President

By:   
Richard H. Enrico  
Trustee

# EXHIBIT A-4

EXECUTION VERSION

**FIRST AMENDMENT TO  
SENIOR BRIDGE LOAN DOCUMENTS**

This First Amendment to Senior Bridge Loan Documents, (as hereinafter defined), is entered into effective as of the 26<sup>th</sup> day of July, 2016 (the "First Amendment").

**WHEREAS**, the undersigned lender parties (the "Senior Bridge Lenders") loaned money to Titan CNG, LLC (the "Borrower") pursuant to those certain Subscription Agreements, Bridge Promissory Notes ("Bridge Notes"), Security Agreement, Personal Guaranties of Scott Honour and Kirk Honour, Pledge Agreements and Subordination Agreements from prior lenders, (collectively referred to as the "Senior Bridge Loan Documents") all dated on or about February 29, 2016, except for those Senior Bridge Loan Documents entered into with Bonita Beach Blues, Inc., a Florida corporation (the "Emfield Lender") which are dated on or about July 26, 2016; and

**WHEREAS**, the parties desire to enter into this First Amendment to modify certain terms, conditions, and covenants in the Senior Bridge Loan Documents,

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals.**

The recitals set forth above are incorporated herein by this reference and made a part of this First Amendment.

2. **Modification of Terms, Conditions and Covenants.** All of the Senior Bridge Loan Documents are hereby amended to incorporate the following terms and conditions:

a. The due date or maturity date of each Bridge Note is hereby amended to be September 30, 2016.

b. Interest on outstanding principal under each Bridge Note shall be at the rate of 16% per annum as of March 14, 2016. In the event of the occurrence of an event of default under the Senior Bridge Loan Documents, as amended by this First Amendment, after the date hereof, and such default is not cured within seven (7) days of notice of event of default is delivered to Borrower, interest shall increase to the rate of 18% per annum until such default is cured. Minimum interest due on a Bridge Note that is redeemed earlier than four months from issuance will be calculated based on a rate of 12% per annum.

c. Any unpaid interest that is accrued as of July 31, 2016, shall be due and payable on July 31, 2016.

d. A payment of monthly interest only will be made on August 31, 2016.

e. In consideration for entering into this First Amendment, each Senior Bridge Lender other than the Emfield Lender will receive the number of Class A Units opposite their name on Exhibit A hereto.

f. The covenants in the Senior Bridge Loan Documents requiring Borrower to deliver an Inter-Creditor Agreement, DACA and any leasehold mortgages are hereby suspended from the Senior Bridge Loan Documents but, at the election of the Collateral Agent (as defined in the Senior Bridge Loan Documents) shall be in full force and effect in the event there is an event of default under the Senior Bridge Loan Documents, as amended by this First Amendment, that remains uncured for a period of seven (7) days after notice of event of default is delivered to Borrower (at which time each such document shall be delivered within ten (10) business days of the expiration of such 7-day period).

g. Each Senior Bridge Lender hereby acknowledges its intention to roll their Bridge Note into the PIPES Equity Financing that is being pursued by the Borrower upon the closing of such offering at a minimum closing level of \$5,000,000, subject to the reservation of rights by Red Ocean Consulting, LLC, to elect not to rollover its Bridge Loan if it does not reasonably believe it has sufficient other liquidity at the time of such closing, provided such financing has closed on or before September 30, 2016. Any accrued but unpaid interest will be due at the time a Bridge Note is rolled into the PIPES Equity Financing.

3. Conflicts. In the event of a conflict in the term of any Senior Bridge Loan Document and this First Amendment, the terms of this First Amendment shall control.

4. Other Terms and Conditions. Except to the extent amended herein, the terms and conditions of the Senior Bridge Loan Documents shall continue in full force and effect.

5. No Default. The parties confirm that there are no currently existing events of default under the Senior Bridge Loan Documents as amended by this First Amendment.

6. Miscellaneous.

a. This Agreement is the entire agreement of the parties with respect to the subject matter of this Agreement.

b. No purported amendment, modification or waiver of any provision of this Agreement shall be binding unless set forth in a written document signed by Borrower and the Senior Bridge Lenders.

c. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

d. Copies of this Agreement with signatures transmitted electronically (e.g., by facsimile or pdf) shall be deemed to be original signed versions of this Agreement.

e. **This First Amendment will be governed by the laws of the state of Minnesota.**

**[Signature pages follow]**



**IN WITNESS WHEREOF**, the parties have executed this agreement effective as of the day and year first above written.

**BORROWER:**

Titan CNG, LLC



By Kirk Honour  
Its President

**ADDITIONAL BORROWERS:**

The undersigned hereby reaffirm their obligations under the Security Agreements and Pledge Agreements, as well as any other documents executed by the undersigned in favor of the Senior Bridge lenders:

Titan Blaine, LLC



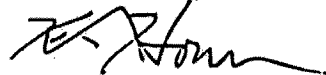
By Kirk Honour  
Its President

Titan El Toro, LLC



By Kirk Honour  
Its President

Titan Diamond Bar, LLC



By Kirk Honour  
Its President

SENIOR BRIDGE LENDERS:

Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended



Thomas J. Abood, its Trustee

\_\_\_\_\_  
James Jackson

\_\_\_\_\_  
David M. Leavenworth

Alpeter Family Limited Partnership

\_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Bonita Beach Blues, Inc

\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

Red Ocean Consulting, LLC

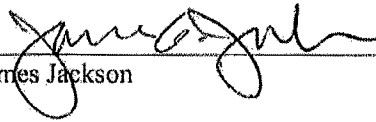
\_\_\_\_\_  
By: Brenton Hayden  
Its: Manager

FIRST AMENDMENT 8-27-18

**SENIOR BRIDGE LENDERS:**

**Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended**

\_\_\_\_\_  
Thomas J. Abood, its Trustee

  
\_\_\_\_\_  
James Jackson

\_\_\_\_\_  
David M. Leavenworth

**Alpeter Family Limited Partnership**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Bonita Beach Blues, Inc**

By: Robert Emfield  
Its: \_\_\_\_\_

**Red Ocean Consulting, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

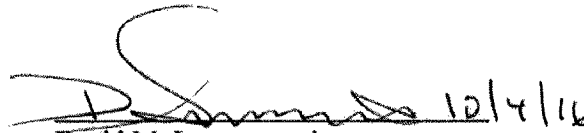
FIRST AMENDMENT.

SENIOR BRIDGE LENDERS:

Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended

\_\_\_\_\_  
Thomas J. Abood, its Trustee

\_\_\_\_\_  
James Jackson

  
David M. Leavenworth

Alpeter Family Limited Partnership

\_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Bonita Beach Blues, Inc

\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

Red Ocean Consulting, LLC

\_\_\_\_\_  
By: Brenton Hayden  
Its: Manager

**SENIOR BRIDGE LENDERS:**


Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended

\_\_\_\_\_  
Thomas J. Abood, its Trustee

\_\_\_\_\_  
James Jackson

\_\_\_\_\_  
David M. Leavenworth

Alpeter Family Limited Partnership

  
\_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Bonita Beach Blues, Inc

\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

Red Ocean Consulting, LLC

\_\_\_\_\_  
By: Brenton Hayden  
Its: Manager

**SENIOR BRIDGE LENDERS:**

Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended

\_\_\_\_\_  
Thomas J. Abood, its Trustee

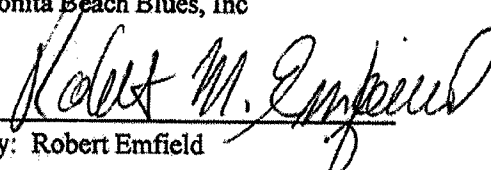
\_\_\_\_\_  
James Jackson

\_\_\_\_\_  
David M. Leavenworth

Alpeter Family Limited Partnership

\_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Bonita Beach Blues, Inc

  
\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

Red Ocean Consulting, LLC

\_\_\_\_\_  
By: Brenton Hayden  
Its: Manager

**SENIOR BRIDGE LENDERS:**

**Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended**

\_\_\_\_\_  
**Thomas J. Abood, its Trustee**

\_\_\_\_\_  
**James Jackson**

\_\_\_\_\_  
**David M. Leavenworth**

**Alpeter Family Limited Partnership**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Bonita Beach Blues, Inc**

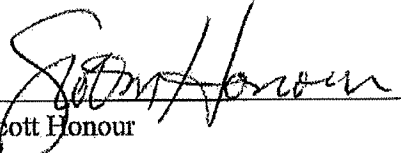
By: Robert Emfield  
Its: \_\_\_\_\_

**Red Ocean Consulting, LLC**

*B. Hays*  
By: BORISLAV HAYSEV  
Its: MANAGING DIR.

*B.H.*

The undersigned each hereby reaffirm their obligations under their respective Guaranties and agree that no changes herein shall affect their obligations thereunder:

  
\_\_\_\_\_  
Scott Honour

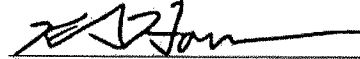
\_\_\_\_\_  
Kirk Honour

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The undersigned each hereby reaffirm their obligations under their respective Guaranties and agree that no changes herein shall affect their obligations thereunder:

\_\_\_\_\_  
Scott Honour



\_\_\_\_\_  
Kirk Honour

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EXHIBIT A

<u>Name</u>	<u>Additional Class A Units</u>
Red Ocean Consulting, LLC	1,250
Thomas J. Abood Revocable Trust U/A Dated August 17, 2012	1,250
James Jackson	71
Alpeter Family Limited Partnership	38
David M. Leavenworth	750

12146998v2



# EXHIBIT A-5

**SECOND AMENDMENT TO  
SENIOR BRIDGE LOAN DOCUMENTS**

This Second Amendment to Senior Bridge Loan Documents, (as hereinafter defined), is entered into effective as of the 26<sup>th</sup> day of September, 2016 (the "Second Amendment").

**WHEREAS**, the undersigned lender parties (the "Senior Bridge Lenders") loaned money to Titan CNG LLC (the "Borrower") pursuant to those certain Subscription Agreements, Bridge Promissory Notes ("Bridge Notes"), Security Agreement, Personal Guaranties of Scott Honour and Kirk Honour, Pledge Agreements and Subordination Agreements from prior lenders, (as amended, collectively referred to as the "Senior Bridge Loan Documents") all dated on or about February 29, 2016, except for those Senior Bridge Loan Documents entered into with Bonita Beach Blues, Inc., a Florida corporation (the "Emfield Lender") which are dated on or about July 26, 2016; and

**WHEREAS**, on or about July 26, 2016, the parties entered into that certain First Amendment to Senior Bridge Loan Documents (the "First Amendment") pursuant to which certain terms, conditions and covenants in the Senior Bridge Loan Documents were modified; and

**WHEREAS**, the parties desire to enter into this Second Amendment to modify certain terms, conditions, and covenants in the Senior Bridge Loan Documents.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals.**

The recitals set forth above are incorporated herein by this reference and made a part of this Second Amendment.

2. **Modification of Terms, Conditions and Covenants.** All of the Senior Bridge Loan Documents are hereby amended to incorporate the following terms and conditions:

a. The due date or maturity date of each Bridge Note is hereby amended to be January 31, 2017 (the "Stated Maturity Date"); provided, however, that if no default or event of default has occurred and is continuing the Borrower may, in the Borrower's sole discretion upon providing written notice to the Senior Bridge Lenders, (i) extend the Stated Maturity Date to April 30, 2017 by paying each of the Senior Bridge Lenders a fee equal to 1% of the outstanding balance due on such lender's Bridge Note; (ii) if the Stated Maturity Date was extended to April 30, 2017 as provided in the foregoing clause, subsequently extend the Stated Maturity Date to July 31, 2017 by paying each of the Senior Bridge Lenders an additional fee equal to 1% of the then-outstanding balance due on such lender's Bridge Note; and (iii) if the Stated Maturity Date was extended to July 31, 2017 as provided in the foregoing clause, subsequently extend the Stated Maturity

Date to October 31, 2017 by paying each of the Senior Bridge Lenders an additional fee equal to 1% of the then-outstanding balance due on such lender's Bridge Note.

b. Payments of monthly interest only will be made on the last business day of each calendar month beginning on September 30, 2016 until the Stated Maturity Date (as the same may be extended as provided above) at which time the entire balance due on the Bridge Notes shall be due and payable in full (unless previously converted).

3. Additional Indebtedness. On the date hereof, Red Ocean Consulting, LLC is purchasing an additional Bridge Note in the principal amount of \$150,000 and each of the parties hereto, along with each guarantor and subsidiaries of the Borrower agree it shall have the same rights, preferences and security of each other Bridge Note.

4. Conversion. Section 2(g) of the First Amendment is hereby amended and restated in its entirety as follows:

g. Each Senior Bridge Lender hereby acknowledges its intention to roll his, her or it Bridge Note into the PIPES Equity Financing that is being pursued by the Borrower upon the closing of such offering at a minimum closing level of \$5,000,000, provided such financing has closed on or before the Stated Maturity Date, as the same may be extended pursuant to any agreement among the Senior Bridge Lenders and the Borrower. Notwithstanding the foregoing, Red Ocean Consulting, LLC shall have no obligation to convert any of its Bridge Notes into equity.

5. Fees. Borrowers shall pay each Senior Bridge Lenders a fee on September 30, 2016 equal to 1% of the outstanding balance due on such lender's Bridge Note in consideration for their agreement to entering into this Second Amendment. Borrower will reimburse the Senior Bridge Lenders for its reasonable legal fees incurred in connection with the transactions contemplated by this Second Amendment and the First Amendment

6. Conflicts. In the event of a conflict in the term of any Senior Bridge Loan Document and this Second Amendment, the terms of this Second Amendment shall control.

7. Other Terms and Conditions. Except to the extent amended herein, the terms and conditions of the Senior Bridge Loan Documents shall continue in full force and effect.

8. Prior Events; Equity Issuances. Provided no default or event(s) of default shall occur (subject to any cure rights of the Borrower) after the date hereof, the Senior Bridge Lenders agree not to declare or attempt to enforce any rights with respect to any actual or alleged default or event of default which may have occurred prior to the date hereof; provided, however, that Borrower hereby agrees to nevertheless issue any equity interests in which the Borrower has agreed to issue prior to the date hereof to the Senior Bridge Lenders.

9. Miscellaneous.

- a. This Second Amendment is the entire agreement of the parties with respect to the subject matter of this Second Amendment.
- b. No purported amendment, modification or waiver of any provision of this Second Amendment shall be binding unless set forth in a written document signed by Borrower and the Senior Bridge Lenders.
- c. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- d. Copies of this Second Amendment with signatures transmitted electronically (e.g., by facsimile or pdf) shall be deemed to be original signed versions of this Second Amendment.
- e. This Second Amendment will be governed by the laws of the state of Minnesota.

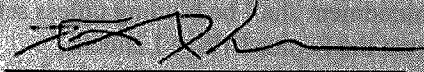
59637923

[Signature pages follow]

**IN WITNESS WHEREOF**, the parties have executed this Second Amendment effective as of the day and year first above written

**BORROWER:**

Titan CNG LLC

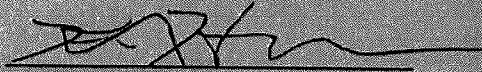


By: Kirk Honour  
Its: President

**ADDITIONAL BORROWERS:**

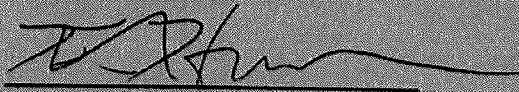
The undersigned hereby reaffirm their obligations under the Security Agreements and Pledge Agreements, as well as any other documents executed by the undersigned in favor of the Senior Bridge lenders:

Titan Blaine, LLC



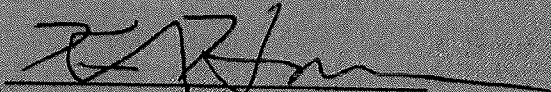
By: Kirk Honour  
Its: President

Titan El Toro LLC



By: Kirk Honour  
Its: President


Titan Diamond Bar LLC



By: Kirk Honour  
Its: President

**SENIOR BRIDGE LENDERS:**

**Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended**

  
Thomas J. Abood, its Trustee

\_\_\_\_\_  
James Jackson

\_\_\_\_\_  
David M. Leavenworth

Alpeter Family Limited Partnership

\_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Bonita Beach Blues, Inc

\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

Red Ocean Consulting, LLC

\_\_\_\_\_  
By: Brenton Hayden  
Its: Manager

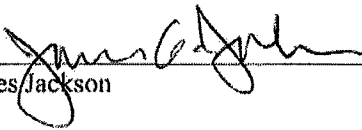
*SECOND AMENDMENT SEE PAGE*



**SENIOR BRIDGE LENDERS:**

Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended

\_\_\_\_\_  
Thomas J. Abood, its Trustee

  
\_\_\_\_\_  
James Jackson

\_\_\_\_\_  
David M. Leavenworth

\_\_\_\_\_  
Alpeter Family Limited Partnership

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
Bonita Beach Blues, Inc

\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

\_\_\_\_\_  
Red Ocean Consulting, LLC


\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**SENIOR BRIDGE LENDERS:**

Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended

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Thomas J. Abood, its Trustee

\_\_\_\_\_  
James Jackson

  
\_\_\_\_\_  
David M. Leavenworth 10/4/16

Alpeter Family Limited Partnership

\_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Bonita Beach Blues, Inc

\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

Red Ocean Consulting, LLC

\_\_\_\_\_  
By: Brenton Hayden  
Its: Manager

**SENIOR BRIDGE LENDERS:**

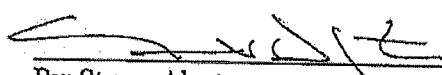
**Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended**

\_\_\_\_\_  
Thomas J. Abood, its Trustee

\_\_\_\_\_  
James Jackson

\_\_\_\_\_  
David M. Leavenworth

Alpeter Family Limited Partnership

  
\_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Bonita Beach Blues, Inc

\_\_\_\_\_  
By: Robert Emfield  
Its: \_\_\_\_\_

Red Ocean Consulting, LLC

\_\_\_\_\_  
By: Brenton Hayden  
Its: Manager

**SENIOR BRIDGE LENDERS:**

**Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended**

\_\_\_\_\_  
**Thomas J. Abood, its Trustee**

\_\_\_\_\_  
**James Jackson**

\_\_\_\_\_  
**David M. Leavenworth**

**Alpeter Family Limited Partnership**

\_\_\_\_\_  
**By: Steven Alpeter  
Its: Limited Partner**

**Bonita Beach Blues, Inc**

\_\_\_\_\_  
**By: Robert Emfield**  
**Its: *Robert M. Emfield***

**Red Ocean Consulting, LLC**

\_\_\_\_\_  
**By: Brenton Hayden  
Its: Manager**

**SENIOR BRIDGE LENDERS:**

**Thomas J. Abood Revocable Trust U/A Dated  
August 17, 2012 As Amended**

\_\_\_\_\_  
**Thomas J. Abood, its Trustee**

\_\_\_\_\_  
**James Jackson**

\_\_\_\_\_  
**David M. Leavenworth**

**Alpeter Family Limited Partnership**

\_\_\_\_\_  
**By: Steven Alpeter  
Its: Limited Partner**


**Bonita Beach Blues, Inc**

\_\_\_\_\_  
**By: Robert Emfield  
Its: \_\_\_\_\_**

**Red Ocean Consulting, LLC**

*B. Hayden*  
\_\_\_\_\_  
**By: Brenton Hayden  
Its: Manager**

The undersigned each hereby reaffirm their obligations under their respective Guaranties and agree that no changes herein shall affect their obligations thereunder:

  
\_\_\_\_\_

Scott Honour

\_\_\_\_\_

Kirk Honour

The undersigned each hereby reaffirm their obligations under their respective Guaranties and agree that no changes herein shall affect their obligations thereunder.

\_\_\_\_\_  
Scott Honour

  
\_\_\_\_\_  
Kirk Honour

# EXHIBIT A-6



kwiktag • legal 702 753 597

**PERSONAL GUARANTY**

This PERSONAL GUARANTY (this "Guaranty") is made by the undersigned (the "Guarantor") effective as of February 29, 2016 in consideration of and in order to induce Red Ocean Consulting, LLC, a Florida limited liability company (the "Lender"), to extend financial accommodations to Titan CNG LLC, a Delaware limited liability company (the "Borrower"), pursuant to that certain Secured Bridge Note of even date herewith in the original principal amount of \$250,000 and payable to the order of the Lender (as the same may be amended, supplement, restated or renewed from time to time, the "Note").

**BACKGROUND**

A. The Note is one in a series of Secured Bridge Notes (the "Secured Bridge Notes" and each a "Secured Bridge Note") being issued by the Borrower to certain lenders, including the Lender (each a "Bridge Lender") in an aggregate amount of up to \$1,500,000.

B. As an inducement to enter into the Note, the Guarantor desires to guaranty the Borrower's performance under each of the Secured Bridge Notes pursuant to a personal guaranty between Guarantor and such Bridge Lender.

In the event that the entire outstanding balance due under the Note is not repaid in full or converted into securities of the Borrower on or prior to the eight month anniversary of the Note, the Guarantor agrees as follows:

1. Unconditionally and absolutely guarantees to the Lender the following:

(a) the full and prompt payment, when due, whether at the maturity dates specified therein or theretofore upon acceleration of maturity pursuant to the provisions thereof, of principal, accrued interest, prepayment premiums and late charges, if any, on the Note, and any and all renewals thereof; and

(b) the payment and performance by the Borrower of all of its obligations under and pursuant to the Note and any and all documents related thereto (the "Senior Bridge Documents");

(the Note and such other liability, indebtedness and obligations are herein collectively referred to as the "Obligations"); together with the full and prompt payment of any and all costs and expenses of and incidental to the collection of the Obligations or the enforcement of this Guaranty, including, without limitation, reasonable attorneys' fees.

2. Any payments made by Guarantor under this Guaranty will be made pro rata among all Bridge Lenders in accordance with each such Bridge Lender's then current pro rata percentage of the outstanding obligations under all of the Secured Bridge Notes.

3. Agrees that the Lender may by written notice demand payment from the Guarantor of any installment (or portion thereof) of principal or interest on the Note, when due under the terms of the Note, and the Guarantor shall promptly pay the same to the Lender, and the Lender may by written notice demand payment or performance of any or all of the other Obligations, when such payment or performance is due or required under the terms of the applicable Senior Bridge Documents, and the Guarantor shall promptly pay or perform the same, whether or not the Lender has (i) declared an Event of Default (as defined in the Note), or (ii) accelerated payment of the Note, or (iii) commenced repossession of, or foreclosure of any security interest, mortgage or other lien in, any or all of the collateral securing

the Note, or (iv) otherwise exercised its rights and remedies hereunder or under the Note, the other Senior Bridge Documents or applicable law.

4. Except as provided in Section 3, waives (i) presentment, demand, notice of nonpayment, protest and notice of protest and dishonor on the Obligations; (ii) notice of acceptance of this Guaranty by the Lender; and (iii) notice of the creation or incurrence of the Obligations by the Borrower.

5. Agrees that the Lender may from time to time, without notice to the Guarantor, which notice is hereby waived by the Guarantor, extend, modify, renew or compromise the Obligations, in whole or in part, without releasing, extinguishing or affecting in any manner whatsoever the liability of the Guarantor hereunder, the foregoing acts being hereby consented to by the Guarantor.

6. Agrees that the Lender shall not be required to first resort for payment to the Borrower or any other person, corporation or entity, or their properties or estates, or any other right or remedy whatsoever, prior to enforcing this Guaranty.

7. Agrees that this Guaranty shall be construed as a continuing, absolute, and unconditional guaranty without regard to (i) the validity, regularity or enforceability of the Obligations or the disaffirmance thereof in any insolvency or bankruptcy proceeding relating to the Borrower, or (ii) any event or any conduct or action of the Borrower or the Lender or any other party which might otherwise constitute a legal or equitable discharge of a surety or guarantor but for this provision.

8. Agrees that this Guaranty shall remain in full force and effect and be binding upon the Guarantor until the Obligations are paid in full or the entire balance owing under the Note is converted into securities of the Borrower, at which time this Guaranty will automatically terminate.

9. Agrees that the liability of the Guarantor hereunder shall not be affected or impaired by any failure, neglect or omission on the part of the Lender to realize upon the Obligations, or upon any collateral or security therefor, nor by the taking by the Lender of any other guaranty or guaranties to secure the Obligations or any other indebtedness of the Borrower to the Lender, nor by the taking by the Lender of collateral or security of any kind nor by any act or failure to act whatsoever which, but for this provision, might or could in law or in equity act to release or reduce the Guarantor's liability hereunder.

10. Waives any right that the Guarantor may have to collect or seek to collect from the Borrower the claim, if any, by subrogation or otherwise, acquired by the Guarantor through payment of any part or all of the Obligations until the Obligations have been paid in full.

11. Agrees that the liability of the Guarantor hereunder shall not be affected or impaired by the existence or creation from time to time, with or without notice to the Guarantor, which notice is hereby waived, of indebtedness from the Borrower to the Lender in addition to the indebtedness evidenced by the Note; the creation or existence of such additional indebtedness being hereby consented to by the Guarantor.

12. Agrees that the possession of this instrument of guaranty by the Lender shall be conclusive evidence of due execution and delivery hereof by the Guarantor.

13. Agrees that this Guaranty shall be binding upon the legal representatives, successors and assigns of the Guarantor, and shall inure to the benefit of the Lender and its successors, assigns and legal representatives; that notwithstanding the foregoing, the Guarantor shall have no right to assign or otherwise transfer the Guarantor's rights and obligations under this Guaranty to any third party without

the prior written consent of the Lender; and that any such assignment or transfer shall not release or affect the liability of the Guarantor hereunder in any manner whatsoever.

14. Agrees that he may be joined in any action or proceeding commenced against the Borrower in connection with or based upon the Obligations and recovery may be had against him in any such action or proceeding or in any independent action or proceeding against him should the Borrower fail to duly and punctually pay any of the principal of or interest on the Obligations without any requirement that the Lender first assert, prosecute or exhaust any remedy or claim against the Borrower.

15. Agrees that upon the occurrence at any time of an Event of Default under the Note, the Lender shall have the right to set off any and all amounts due hereunder by the Guarantor to the Lender against any indebtedness or obligation of the Lender to the Guarantor.

16. Agrees that the Guarantor shall be liable to the Lender for any deficiency remaining after foreclosure of any mortgage in real estate or any security interest in personal property granted by the Borrower, the Guarantor or any third party to the Lender to secure repayment of the Obligations and the subsequent sale by the Lender of the property subject thereto to a third party (whether at a foreclosure sale or at a sale thereafter by the Lender in the event the Lender purchases said property at the foreclosure sale) notwithstanding any provision of applicable law which may prevent the Lender from obtaining a deficiency judgment against, or otherwise collecting a deficiency from, the Borrower including, without limitation, Minnesota Statutes 582.30.

17. Agrees that this Guaranty shall be deemed a contract made under and pursuant to the laws of the State of Minnesota and shall be governed by and construed under the laws of such state without giving effect to the choice of law provisions thereof; and that, wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of the Guaranty.

18. Agrees that no failure on the part of the Lender to exercise, and no delay in exercising, any right or remedy hereunder shall operate as or constitute a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by any related document or by law.

19. Waives any and all claims against the Lender and defenses to performance and payment hereunder relating in any way, directly or indirectly, to the performance of the Lender's obligations or exercise of any of its rights under the Note and Bridge Loan Documents, except the defense of discharge of payment in full or conversion.

20. Agrees that the liability of the Guarantor and any other guarantor of the Obligations shall be joint and several.

21. Agrees that (i) the Guarantor will indirectly benefit by and from the making of the loan by the Lender to the Borrower evidenced by the Note; (ii) the Guarantor has received legal and adequate consideration for the execution of this Guaranty and has executed and delivered this Guaranty to the Lender in good faith in exchange for reasonably equivalent value; (iii) the Guarantor is not presently insolvent and will not be rendered insolvent by virtue of the execution and delivery of this Guaranty; (iv) the Guarantor has not executed or delivered this Guaranty with actual intent to hinder, delay or defraud the Guarantor's creditors; and (v) the Lender has agreed to make such loan in reliance upon this Guaranty.

22. Agrees that if, at any time, all or any part of any payment previously applied by the Lender to any of the Obligations must be returned by the Lender for any reason, whether by court order, administrative order or settlement, the Guarantor shall remain liable for the full amount returned as if said amount had never been received by the Lender, notwithstanding any term of this Guaranty or the cancellation or return of any note or other agreement evidencing the Obligations.

23. Irrevocably submits to the jurisdiction of any Minnesota state court or federal court over any action or proceeding arising out of or relating to this Guaranty, the Note and any instrument, agreement or document related thereto; agrees that all claims in respect of such action or proceeding may be heard and determined in such Minnesota state or federal court; irrevocably waives, to the fullest extent the Guarantor may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding; irrevocably consents to the service of copies of the summons and complaint and any other process which may be served in any such action or proceeding by the mailing by United States certified mail, return receipt requested, of copies of such process to the Guarantor's last known address; and agrees that judgment final by appeal, or expiration of time to appeal without an appeal being taken, in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law; provided that nothing in this paragraph shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of Lender to bring any action or proceeding against the Guarantor or the Guarantor's property in the courts of any other jurisdiction to the extent permitted by law.

**24. WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS GUARANTY OR THE OTHER LOAN DOCUMENTS.**

[Signature Page Follows]

This Guaranty is made effective as of the date first written above.



**KIRK HONOUR**

[Signature Page to Guaranty]

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## PERSONAL GUARANTY

This PERSONAL GUARANTY (this "Guaranty") is made by the undersigned (the "Guarantor") effective as of February 29, 2016 in consideration of and in order to induce Red Ocean Consulting, LLC, a Florida limited liability company (the "Lender"), to extend financial accommodations to Titan CNG LLC, a Delaware limited liability company (the "Borrower"), pursuant to that certain Secured Bridge Note of even date herewith in the original principal amount of \$250,000 and payable to the order of the Lender (as the same may be amended, supplement, restated or renewed from time to time, the "Note").

## BACKGROUND

A. The Note is one in a series of Secured Bridge Notes (the "Secured Bridge Notes" and each a "Secured Bridge Note") being issued by the Borrower to certain lenders, including the Lender (each a "Bridge Lender") in an aggregate amount of up to \$1,500,000.

B. As an inducement to enter into the Note, the Guarantor desires to guaranty the Borrower's performance under each of the Secured Bridge Notes pursuant to a personal guaranty between Guarantor and such Bridge Lender.

In the event that the entire outstanding balance due under the Note is not repaid in full or converted into securities of the Borrower on or prior to the eight month anniversary of the Note, the Guarantor agrees as follows:

1. Unconditionally and absolutely guarantees to the Lender the following:
  - (a) the full and prompt payment, when due, whether at the maturity dates specified therein or theretofore upon acceleration of maturity pursuant to the provisions thereof, of principal, accrued interest, prepayment premiums and late charges, if any, on the Note, and any and all renewals thereof; and
  - (b) the payment and performance by the Borrower of all of its obligations under and pursuant to the Note and any and all documents related thereto (the "Senior Bridge Documents");

(the Note and such other liability, indebtedness and obligations are herein collectively referred to as the "Obligations"); together with the full and prompt payment of any and all costs and expenses of and incidental to the collection of the Obligations or the enforcement of this Guaranty, including, without limitation, reasonable attorneys' fees.

2. Any payments made by Guarantor under this Guaranty will be made pro rata among all Bridge Lenders in accordance with each such Bridge Lender's then current pro rata percentage of the outstanding obligations under all of the Secured Bridge Notes.

3. Agrees that the Lender may by written notice demand payment from the Guarantor of any installment (or portion thereof) of principal or interest on the Note, when due under the terms of the Note, and the Guarantor shall promptly pay the same to the Lender, and the Lender may by written notice demand payment or performance of any or all of the other Obligations, when such payment or performance is due or required under the terms of the applicable Senior Bridge Documents, and the Guarantor shall promptly pay or perform the same, whether or not the Lender has (i) declared an Event of Default (as defined in the Note), or (ii) accelerated payment of the Note, or (iii) commenced repossession of, or foreclosure of any security interest, mortgage or other lien in, any or all of the collateral securing

the Note, or (iv) otherwise exercised its rights and remedies hereunder or under the Note, the other Senior Bridge Documents or applicable law.

4. Except as provided in Section 3, waives (i) presentment, demand, notice of nonpayment, protest and notice of protest and dishonor on the Obligations; (ii) notice of acceptance of this Guaranty by the Lender; and (iii) notice of the creation or incurrence of the Obligations by the Borrower.
5. Agrees that the Lender may from time to time, without notice to the Guarantor, which notice is hereby waived by the Guarantor, extend, modify, renew or compromise the Obligations, in whole or in part, without releasing, extinguishing or affecting in any manner whatsoever the liability of the Guarantor hereunder, the foregoing acts being hereby consented to by the Guarantor.
6. Agrees that the Lender shall not be required to first resort for payment to the Borrower or any other person, corporation or entity, or their properties or estates, or any other right or remedy whatsoever, prior to enforcing this Guaranty.
7. Agrees that this Guaranty shall be construed as a continuing, absolute, and unconditional guaranty without regard to (i) the validity, regularity or enforceability of the Obligations or the disaffirmance thereof in any insolvency or bankruptcy proceeding relating to the Borrower, or (ii) any event or any conduct or action of the Borrower or the Lender or any other party which might otherwise constitute a legal or equitable discharge of a surety or guarantor but for this provision.
8. Agrees that this Guaranty shall remain in full force and effect and be binding upon the Guarantor until the Obligations are paid in full or the entire balance owing under the Note is converted into securities of the Borrower, at which time this Guaranty will automatically terminate.
9. Agrees that the liability of the Guarantor hereunder shall not be affected or impaired by any failure, neglect or omission on the part of the Lender to realize upon the Obligations, or upon any collateral or security therefor, nor by the taking by the Lender of any other guaranty or guaranties to secure the Obligations or any other indebtedness of the Borrower to the Lender, nor by the taking by the Lender of collateral or security of any kind nor by any act or failure to act whatsoever which, but for this provision, might or could in law or in equity act to release or reduce the Guarantor's liability hereunder.
10. Waives any right that the Guarantor may have to collect or seek to collect from the Borrower the claim, if any, by subrogation or otherwise, acquired by the Guarantor through payment of any part or all of the Obligations until the Obligations have been paid in full.
11. Agrees that the liability of the Guarantor hereunder shall not be affected or impaired by the existence or creation from time to time, with or without notice to the Guarantor, which notice is hereby waived, of indebtedness from the Borrower to the Lender in addition to the indebtedness evidenced by the Note; the creation or existence of such additional indebtedness being hereby consented to by the Guarantor.
12. Agrees that the possession of this instrument of guaranty by the Lender shall be conclusive evidence of due execution and delivery hereof by the Guarantor.
13. Agrees that this Guaranty shall be binding upon the legal representatives, successors and assigns of the Guarantor, and shall inure to the benefit of the Lender and its successors, assigns and legal representatives; that notwithstanding the foregoing, the Guarantor shall have no right to assign or otherwise transfer the Guarantor's rights and obligations under this Guaranty to any third party without

the prior written consent of the Lender; and that any such assignment or transfer shall not release or affect the liability of the Guarantor hereunder in any manner whatsoever.

14. Agrees that he may be joined in any action or proceeding commenced against the Borrower in connection with or based upon the Obligations and recovery may be had against him in any such action or proceeding or in any independent action or proceeding against him should the Borrower fail to duly and punctually pay any of the principal or interest on the Obligations without any requirement that the Lender first assert, prosecute or exhaust any remedy or claim against the Borrower.

15. Agrees that upon the occurrence at any time of an Event of Default under the Note, the Lender shall have the right to set off any and all amounts due hereunder by the Guarantor to the Lender against any indebtedness or obligation of the Lender to the Guarantor.

16. Agrees that the Guarantor shall be liable to the Lender for any deficiency remaining after foreclosure of any mortgage in real estate or any security interest in personal property granted by the Borrower, the Guarantor or any third party to the Lender to secure repayment of the Obligations and the subsequent sale by the Lender of the property subject thereto to a third party (whether at a foreclosure sale or at a sale thereafter by the Lender in the event the Lender purchases said property at the foreclosure sale) notwithstanding any provision of applicable law which may prevent the Lender from obtaining a deficiency judgment against, or otherwise collecting a deficiency from, the Borrower including, without limitation, Minnesota Statutes 582.30.

17. Agrees that this Guaranty shall be deemed a contract made under and pursuant to the laws of the State of Minnesota and shall be governed by and construed under the laws of such state without giving effect to the choice of law provisions thereof; and that, wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of the Guaranty.

18. Agrees that no failure on the part of the Lender to exercise, and no delay in exercising, any right or remedy hereunder shall operate as or constitute a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy granted hereby or by any related document or by law.

19. Waives any and all claims against the Lender and defenses to performance and payment hereunder relating in any way, directly or indirectly, to the performance of the Lender's obligations or exercise of any of its rights under the Note and Bridge Loan Documents, except the defense of discharge of payment in full or conversion.

20. Agrees that the liability of the Guarantor and any other guarantor of the Obligations shall be joint and several.

21. Agrees that (i) the Guarantor will indirectly benefit by and from the making of the loan by the Lender to the Borrower evidenced by the Note; (ii) the Guarantor has received legal and adequate consideration for the execution of this Guaranty and has executed and delivered this Guaranty to the Lender in good faith in exchange for reasonably equivalent value; (iii) the Guarantor is not presently insolvent and will not be rendered insolvent by virtue of the execution and delivery of this Guaranty; (iv) the Guarantor has not executed or delivered this Guaranty with actual intent to hinder, delay or defraud the Guarantor's creditors; and (v) the Lender has agreed to make such loan in reliance upon this Guaranty.



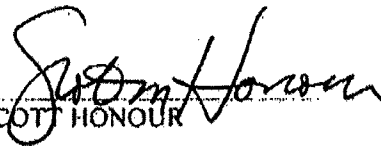
22. Agrees that if, at any time, all or any part of any payment previously applied by the Lender to any of the Obligations must be returned by the Lender for any reason, whether by court order, administrative order or settlement, the Guarantor shall remain liable for the full amount returned as if said amount had never been received by the Lender, notwithstanding any term of this Guaranty or the cancellation or return of any note or other agreement evidencing the Obligations.

23. Irrevocably submits to the jurisdiction of any Minnesota state court or federal court over any action or proceeding arising out of or relating to this Guaranty, the Note and any instrument, agreement or document related thereto; agrees that all claims in respect of such action or proceeding may be heard and determined in such Minnesota state or federal court; irrevocably waives, to the fullest extent the Guarantor may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding; irrevocably consents to the service of copies of the summons and complaint and any other process which may be served in any such action or proceeding by the mailing by United States certified mail, return receipt requested, of copies of such process to the Guarantor's last known address; and agrees that judgment final by appeal, or expiration of time to appeal without an appeal being taken, in any such action or proceeding shall be conclusive and may be enforced in any other jurisdictions by suit on the judgment or in any other manner provided by law; provided that nothing in this paragraph shall affect the right of the Lender to serve legal process in any other manner permitted by law or affect the right of Lender to bring any action or proceeding against the Guarantor or the Guarantor's property in the courts of any other jurisdiction to the extent permitted by law.

24. **WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS GUARANTY OR THE OTHER LOAN DOCUMENTS.**

[Signature Page Follows]

This Guaranty is made effective as of the date first written above.

  
SCOTT HONOUR

[Signature Page to Guaranty]

# EXHIBIT A-7

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## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), is entered into effective as of the 29th day of February, 2016, by Titan CNG LLC, a Delaware limited liability company located at 315 Lake Street E. Suite 301, Wayzata, MN 55391, Titan El Toro LLC, a Delaware limited liability company, Titan Diamond Bar LLC, a Delaware limited liability company, and Titan Blaine LLC, a Minnesota limited liability company (collectively, "Borrower"), for the benefit of those Persons who have each executed a signature page hereto as a secured party (each a "Secured Party" and collectively, the "Secured Parties") following making a financial accommodation to Borrower, and Red Ocean Consulting, LLC ("Collateral Agent"), solely in its capacity as Collateral Agent.

In order to secure the prompt and complete payment of the indebtedness and performance of the obligations evidenced by those certain Bridge Notes (the "Notes") issued to the Secured Parties by Borrower (all such debts, liabilities and obligations of Borrower to the Secured Party herein collectively referred to as the "Secured Obligations") pursuant to those certain Subscription and Investment Representation Agreements executed by Borrower and each Secured Party (the "Subscription Agreement"), the parties hereto desire to enter into this Agreement. In all cases, decisions to be made by the Secured Parties hereunder shall be made by the Collateral Agent (as defined below) on behalf of the Secured Parties.

1. SECURITY INTEREST AND COLLATERAL. In order to secure the prompt and complete payment and performance of the Secured Obligations, Borrower hereby pledges, assigns and grants to each Secured Party a security interest (herein called the "Security Interest") in all of Borrower's right, title and interest, whether now owned or hereafter acquired, in and to the following property (such property collectively referred to as the "Collateral"):

all property and assets of Borrower including, without limitation, any and all furniture, fixtures, machinery, equipment, inventory, accounts, deposit accounts, receivables, cash on hand, vehicles, prepaid insurance, letter of credit rights, supplies, patents, patent rights, copyrights, trademarks, trade names, goodwill, royalty rights, franchise rights, chattel paper (including, but not limited to, electronic chattel paper and tangible chattel paper), contract rights, commercial tort claims, data processing records and systems, supporting obligations, license rights, documents, instruments, investment property, software, payment intangibles, general intangibles and any and all other goods, now owned or hereafter acquired by Borrower and wherever located, together with all supporting obligations, substitutions and replacements for and products and proceeds of any of the foregoing property and, in the case of all tangible Collateral, together with (i) all accessories, attachments, parts, equipment, accessions and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents now or hereafter covering such goods.

together with all substitutions and replacements for and products and proceeds of any of the foregoing property.

2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS. Borrower hereby represents and warrants to, and covenants and agrees with, each Secured Party as follows:

(a) Borrower will not change its name or any trade name or "d/b/a" under which it currently operates or conducts business, or its Federal Employee Identification Number, mailing address, or place(s) of business unless, in each such case, Borrower shall have given the Collateral Agent not less than fifteen (15) days' prior written notice of such event or occurrence, which shall be extended as necessary to provide the Collateral Agent a reasonably sufficient opportunity to take such steps (with the cooperation of Borrower to the extent necessary or advisable) as are reasonably necessary or advisable to properly maintain the validity, perfection and priority of the Secured Parties' Security Interest in the Collateral in accordance with the terms of this Agreement.

(b) Borrower has (or will have at the time Borrower acquires rights in Collateral hereafter acquired or arising) and will (i) maintain absolute and valid title to each item of Collateral free and clear of all liens, except the Security Interest and such other security interests described on Exhibit A hereto (collectively, along with the Security Interest, the "Permitted Interests"), (ii) defend title to the Collateral against all claims or demands of all Persons other than the Secured Parties and those holding Permitted Interests, and (iii) defend the Security Interest of the Secured Parties in such Collateral and the priority thereof against any liens.

(c) Borrower has full right and all necessary power and authority to grant to the Secured Parties the Security Interest in such Collateral pursuant hereto. The execution and delivery by Borrower of this Agreement does not require the consent of any other Person and this Agreement constitutes a legal, valid and binding obligation of Borrower and creates a security interest which is enforceable against Borrower in all Collateral Borrower now owns or hereafter acquires, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyances, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), and (iii) requirements of reasonableness, good faith and fair dealing. When financing statements have been filed in the appropriate offices against Borrower, each Secured Party will have a fully-perfected security interest in the Collateral owned by Borrower, with priority over all others other than the holder of Permitted Interests, in which a security interest may be perfected by filing in such offices. The Collateral shall be located at the addresses noted on Exhibit B.

(d) Other than the Permitted Interests, Borrower (i) is the legal, record and beneficial owner of, and has good and marketable title to the Collateral, subject to no lien (except as created by this Agreement); (ii) has full power, authority and legal right to pledge from time to time all of the Collateral pursuant to this Agreement; and (iii) all of the Collateral have been duly and validly issued, are fully paid and nonassessable.

(e) All rights to payment and all instruments, documents, chattel paper and other agreements constituting or evidencing Collateral are (or will be when arising or issued) the valid, genuine and legally enforceable obligation, subject to no defense, set-off or counterclaim (other than

those arising in the ordinary course of business) of each account debtor or other obligor named therein or in Borrower's records pertaining thereto as being obligated to pay such obligation.

(f) Borrower will (i) other than taxes and other governmental charges contested in good faith and by appropriate proceedings, promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance ~~of the Security Interest;~~ (ii) ~~keep all Collateral free and clear of all liens, except the Security~~ Interests and the Permitted Interests; (iii) at all reasonable times, permit the Collateral Agent or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Borrower's books and records pertaining to the Collateral and its business and financial condition and to discuss with account debtors and other obligors requests for verifications of amounts owed to Borrower; (iv) keep accurate and complete records pertaining to the Collateral and pertaining to Borrower's business and financial condition and will submit to the Collateral Agent such periodic reports concerning the Collateral and Borrower's business and financial condition as the Collateral Agent may from time to time reasonably request; (v) if the Collateral Agent at any time reasonably requests, promptly deliver to the Collateral Agent any instrument, document or chattel paper constituting Collateral, duly endorsed or assigned by Borrower to the Secured Parties; (vi) from time to time execute such financing statements as the Collateral Agent may reasonably deem required to be filed in order to perfect the Security Interest and, if any Collateral is covered by a certificate of title, execute such documents as may be required to have the Security Interest properly noted on a certificate of title; (vii) pay when due or reimburse the Collateral Agent or any Secured Party on demand for all costs of collection of any of the Secured Obligations and, subject to any limitations set forth in the Notes, all other out-of-pocket expenses (including in each case all attorneys' fees) incurred by the Collateral Agent or any Secured Party in connection with the creation, perfection, satisfaction or enforcement of the Security Interest or the execution or creation, continuance or enforcement of this Agreement or any or all of the Secured Obligations including, without limitation, expenses incurred in any litigation or bankruptcy or insolvency proceedings; (viii) execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which the Collateral Agent may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and the Secured Parties' rights under this Agreement including, without limitation, an assignment of claim with respect to any account which is a government receivable; (ix) not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance; (x) permit the Collateral Agent at any time and from time to time to send requests to account debtors or other obligors for verification of amounts owed to Borrower; and (xi) conduct its business in the ordinary course of business. If Borrower at any time fails to perform or observe any agreement contained in this Section 2(f), and if such failure shall continue for a period of thirty (30) calendar days after the Collateral Agent gives Borrower written notice thereof, the Collateral Agent may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Borrower (or, at the Collateral Agent's option, in the Secured Parties' own name) and may (but need not) take any and all other actions which the Collateral Agent may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of liens, the performance of obligations under contracts or agreements with account debtors or other obligors (other than Permitted Interests), the procurement and maintenance of insurance, the execution of financing statements, the endorsement of instruments, and the procurement of repairs, transportation or insurance); and, except to the extent

that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Borrower shall thereupon pay the Collateral Agent or any Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Collateral Agent or any such Secured Party in connection with or as a result of the Collateral Agent's performing or observing such agreements or taking such actions, together with interest thereon from the date expended or incurred by the Collateral Agent or such Secured Party at the lowest rate provided for in the Notes. To facilitate the performance or observance by the Collateral Agent of such agreements of Borrower, Borrower hereby irrevocably appoints (which appointment is coupled with an interest) the Collateral Agent, or its delegate, as the attorney-in-fact of Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Borrower, any and all instruments, documents, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Borrower under this Section 2.

(g) Borrower hereby authorizes the Collateral Agent to file, and if requested will execute and deliver to the Collateral Agent, all financing statements describing the Collateral and other documents and take such other actions as may from time to time reasonably be requested by the Collateral Agent in order to maintain a perfected security interest in and, if applicable, control of, the Collateral. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure that the perfection of the security interest in the Collateral granted to the Secured Parties herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired."

(h) On or before two weeks following the date of this Agreement, Borrower will deliver to the Collateral Agent an intercreditor agreement with Tradition Capital Bank pursuant to which (i) the Secured Parties will have a priority lien with respect to Titan CNG LLC's membership interests in Titan El Toro LLC, Titan Diamond Bar LLC and Titan Blaine LLC, and (ii) Tradition Capital Bank will have a priority lien with respect to the assets of Titan El Toro LLC.

3. **ASSIGNMENT OF INSURANCE.** Borrower hereby assigns to the Collateral Agent for the benefit of the Secured Parties, as additional security for the payment of the Secured Obligations, any and all moneys (including, but not limited to, proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Borrower under or with respect to, any and all policies of insurance covering the Collateral, and Borrower hereby directs the issuer of any such policy to pay any such moneys to the Collateral Agent for the benefit of the Secured Parties in the event an Event of Default (an "Event of Default") has occurred (as such term is defined in the Notes) and is continuing on the date upon which such amounts are paid. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may on behalf of the Secured Parties (but need not) in its name for the benefit of the Secured Parties or in Borrower's name, execute and deliver proofs of claim, receive all such monies (subject to Borrower's rights), endorse checks and other instruments representing payment of such monies, and adjust, litigate, compromise or release any claim against the issuer of any such policy.

4. COLLECTION OF ACCOUNTS. The Collateral Agent may on behalf of the Secured Parties, or at the Collateral Agent's request, Borrower shall, upon the occurrence and during the continuance of an Event of Default, notify any account debtor or any obligor on an instrument to make payment directly to a post office box specified by and under the sole control of the Collateral Agent, whether or not the Collateral Agent was theretofore making collections with respect thereto, and the Collateral Agent shall be entitled to take control of any proceeds thereof for the benefit and on behalf of the Secured Parties. ~~If so requested by the Collateral Agent, Borrower shall insert appropriate language on each invoice directing its customers to make payment to such post office box. Borrower hereby authorizes and directs the Collateral Agent to deposit into a special collateral account to be established and maintained with the Collateral Agent all checks, drafts and cash payments, received in said lock box. All deposits in said collateral account shall constitute proceeds of Collateral and shall not constitute payment of any of the Secured Obligations. At its option, the Collateral Agent may, at any time, apply finally collected funds on deposit in said collateral account to the payment of the Secured Obligations in such order of application as the Collateral Agent may determine, or permit Borrower to withdraw all or any part of the balance on deposit in said collateral account. If a collateral account is so established Borrower agrees that it will promptly deliver to the Collateral Agent for deposit into said collateral account, all payments on accounts and chattel paper received by it. All such payments shall be delivered to the Collateral Agent in the form received (except for Borrower's endorsement where necessary). Until so deposited, all payments on accounts and chattel paper received by Borrower shall be held in trust by Borrower for and as the property of the Secured Parties and shall not be commingled with any funds or property of Borrower.~~

5. REMEDIES. Upon the occurrence of an Event of Default and at any time thereafter, the Collateral Agent may exercise, on behalf and for the benefit of the Secured Parties, any one or more of the following rights in addition to any other remedies available under the Notes or available at law: (i) exercise and enforce any or all rights and remedies available after default to a secured party under the Uniform Commercial Code ("UCC") in effect in the applicable jurisdiction, including but not limited to the right to take possession of any Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which Borrower hereby expressly waives), and the right to sell, lease or otherwise dispose of or use any or all of the Collateral; (ii) the Collateral Agent may require Borrower to assemble the Collateral and make it available to the Collateral Agent at a place to be designated by the Collateral Agent which is reasonably convenient to both parties; (iii) exercise its rights under any lessors' agreements regardless of whether or not Borrower is in default under such leases; and (iv) exercise or enforce any or all other rights or remedies available to the Secured Parties by law or agreement against the Collateral, against Borrower or against any other Person or property. The Collateral Agent is hereby granted a non-exclusive, worldwide and royalty-free license to use or otherwise exploit all trademarks, franchises, copyrights and patents of Borrower that the Collateral Agent deems necessary or appropriate to the disposition of any Collateral. If notice to Borrower of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 7(c) hereof) at least ten (10) calendar days prior to the date of intended disposition or other action.

6. APPOINTMENT OF AGENT; INDEMNIFICATION OF AGENT. (a) Each Secured



Party appoints Red Ocean Consulting, LLC to act, and Red Ocean Consulting, LLC agrees to act, as Collateral Agent for such Secured Party pursuant to the terms of this Agreement, the Notes, the Subscription Agreement (collectively, the "Loan Documents") and to execute and enter into this Agreement and all other instruments relating to this Agreement and (i) to take actions on such Secured Party's behalf that are expressly permitted under the provisions of this Agreement, the Loan Documents and all other instruments or agreements relating hereto or thereto, and ~~(ii) to exercise such powers and perform such duties as are, in each case, expressly delegated to the Collateral Agent by the terms hereof and thereof.~~ COLLATERAL AGENT SHALL HAVE THE SOLE POWER AND AUTHORITY TO DECLARE A DEFAULT OR AN EVENT OF DEFAULT UNDER THE NOTES, WAIVE ANY DEFAULT OR AN EVENT OF DEFAULT UNDER THE NOTES AND EXERCISE ANY RIGHTS AND REMEDIES UNDER THE NOTES. The Collateral Agent may be removed by the Secured Parties holding a majority of the outstanding amounts due on the Notes. The Collateral Agent may resign at any time for any reason by submitting a written resignation to the Secured Parties holding a majority of the outstanding amounts due on the Notes. Such resignation shall be effective upon the date set forth thereon. Vacancies as a result of the removal, resignation, death or incapacity of the Collateral Agent shall be filled by the Secured Parties holding a majority of the outstanding amounts due on the Notes.

THE AGENT HAS CONSENTED TO SERVE AS AGENT HEREUNDER ON THE EXPRESS UNDERSTANDING, AND EACH SECURED PARTY, BY ACCEPTING THE BENEFITS OF THIS AGREEMENT, SHALL BE DEEMED TO HAVE AGREED, THAT THE AGENT SHALL HAVE NO DUTY AND SHALL OWE NO OBLIGATION OR RESPONSIBILITY (FIDUCIARY OR OTHERWISE), REGARDLESS OF WHETHER AN EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, TO SUCH SECURED PARTIES, OTHER THAN THE DUTY TO PERFORM ITS EXPRESS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN ACCORDANCE WITH THEIR RESPECTIVE TERMS, SUBJECT IN ALL EVENTS TO THE PROVISIONS OF THIS AGREEMENT LIMITING THE RESPONSIBILITY OR LIABILITY OF THE AGENT HEREUNDER.

(b) The Collateral Agent shall not be required to ascertain or inquire as to (i) any statement, warranty or representation made herein or in connection herewith or in connection with any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent. Neither the Collateral Agent nor any officer, agent or representative thereof shall be personally liable for any action taken or omitted to be taken by any such Person in connection with this Agreement or any Loan Document except for its own gross negligence or willful misconduct or, in the case of the Collateral Agent, in the case of the loss of any moneys in the possession of the Collateral Agent, for the failure of the Collateral Agent to accord such moneys the same care as a prudent person in the same or similar circumstances would accord its own assets. The Collateral Agent may execute any of the powers granted to it under this Agreement and perform any duty hereunder either directly or by or through sub-agents or

attorneys-in-fact, and shall not be responsible for the negligence (including gross negligence) or misconduct (including willful misconduct) of any sub-agents or attorneys-in-fact selected by it with the care that a prudent person in similar circumstances would have employed in such selection. The Collateral Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Affiliates. The exculpatory provisions set forth in this Section 6 and in the other Loan Documents shall apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent.

(c) Whenever in the performance of its duties under this Agreement the Collateral Agent shall deem it necessary or desirable that a matter be proved or established with respect to Borrower or any other Person in connection with the taking, suffering or omitting of any action hereunder by the Collateral Agent, such matter may be conclusively deemed to be proved or established by a certificate executed by an officer of such Person, and the Collateral Agent shall have no liability with respect to any action taken, suffered or omitted in reliance thereon ,

(d) The Collateral Agent shall be fully protected in relying upon any resolution, statement, certificate, instrument, opinion, report, notice (including any notice of an Event of Default or of the cure or waiver thereof), request, consent, order or other paper or document or oral conversation (including, telephone conversations) which it in good faith believes to be genuine and correct and to have been signed, presented or made by the proper party. The Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any notice, certificate or opinion furnished to the Collateral Agent in connection with this Agreement.

(e) The Collateral Agent shall not be deemed to have actual, constructive, direct or indirect notice or knowledge of the occurrence of any Event of Default unless and until the Collateral Agent shall have received written notice thereof from any Secured Party or Borrower. The Collateral Agent shall have no obligation whatsoever either prior to or after receiving such a notice to inquire whether an Event of Default has, in fact, occurred and shall be entitled to rely conclusively, and shall be fully protected in so relying, on any notice so furnished to it.

(f) The remedies of the Collateral Agent hereunder and under the other Loan Documents shall include, but not be limited to, the disposition of the Collateral by foreclosure or other sale and the exercising of all remedies of a secured lender under the UCC, bankruptcy laws or similar laws of any applicable jurisdiction.

(g) To the extent the exercise of the rights, powers and remedies of the Collateral Agent in accordance with this Agreement requires that any action be taken by any Secured Party, such Secured Party shall take such action and cooperate with the Collateral Agent to ensure that the rights, powers and remedies of all Secured Parties are exercised in full.

(h) The Collateral Agent may at any time and from time to time following the occurrence and during the continuance of an Event of Default, in the Collateral Agent's own name, in the name of a nominee of the Collateral Agent, or in the name of Borrower communicate (by mail, telephone or otherwise) with the account debtors of Borrower, parties to contracts with Borrower and obligors with respect to instruments of Borrower to verify with such

Persons, to the Collateral Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, accounts, instruments, chattel paper, payment intangibles and/or other receivables that are Collateral.

(i) Borrower irrevocably authorizes the Collateral Agent and appoints the Collateral Agent as its attorney in fact (i) at any time and from time to time in the sole discretion of the Collateral Agent ~~(1) to execute on behalf of Borrower as debtor and to file financing statements~~ necessary or desirable in the Collateral Agent's reasonable discretion to perfect and to maintain the perfection and priority of the Secured Parties' Security Interest in the Collateral, (2) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which would not add new collateral or add a debtor) in such offices as the Collateral Agent in its reasonable discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Secured Parties' Security Interest in the Collateral, and (3) to discharge past due taxes, assessments, charges, fees or liens on the Collateral; (ii) at any time following the occurrence and during the continuance of an Event of Default, (1) to endorse and collect any cash proceeds of the Collateral and to apply the proceeds of any Collateral received by the Collateral Agent to the Secured Obligations, (2) to demand payment or enforce payment of the receivables in the name of the Collateral Agent or Borrower and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the receivables, (3) to sign Borrower's name on any invoice or bill of lading relating to Borrower's receivables, drafts against any account debtor of Borrower, assignments and verifications of Borrower's receivables, (4) to exercise all of Borrower's rights and remedies with respect to the collection of Borrower's receivables and any other Collateral, (5) to settle, adjust, compromise, extend or renew Borrower's receivables (including, without limitation, making, settling and adjusting claims in respect of Collateral under policies of insurance and making all determinations and decisions with respect thereto), (6) to settle, adjust or compromise any legal proceedings brought to collect Borrower's receivables, (7) to prepare, file and sign Borrower's name on a proof of claim in bankruptcy or similar document against any account debtor of Borrower, (8) to prepare, file and sign any Borrower's name on any notice of lien, assignment or satisfaction of lien or similar document in connection with Borrower's receivables, (9) to change the address for delivery of mail addressed to Borrower to such address as the Collateral Agent may designate and to receive, open and dispose of all mail addressed to Borrower; and (iii) to do all other acts and things reasonably necessary to carry out the terms of this Agreement; and Borrower agrees to reimburse the Collateral Agent on demand for any reasonable payment made or any reasonable documented expense incurred by the Collateral Agent in connection with any of the foregoing; provided that this authorization shall not relieve Borrower of any of its obligations under this Agreement or any other Loan Document. All acts of said attorney or designee are hereby ratified and approved by Borrower. The powers conferred on the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, under this Section 6(i) are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers.

(j) Neither the Collateral Agent nor any Secured Party shall be obligated to preserve any rights Borrower may have against any other Person, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of Collateral in any particular order of

application. Further, the Collateral Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Collateral Agent and each Secured Party shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Collateral Agent nor any Secured Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Collateral Agent or such Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. ~~To the extent that applicable law imposes duties on the Collateral Agent to exercise remedies in a commercially reasonable manner, Borrower acknowledges and agrees that it would be commercially reasonable for the Collateral Agent (i) to fail to incur expenses deemed significant by the Collateral Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account debtors or other Persons obligated on Collateral or to remove liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as Borrower, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Collateral Agent against risks of loss, collection or disposition of Collateral or to provide to the Collateral Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Collateral Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Collateral Agent in the collection or disposition of any of the Collateral. Borrower acknowledges that the purpose of this Section 6(j) is to provide non-exhaustive indications of what actions or omissions by the Collateral Agent would be commercially reasonable in the Collateral Agent's exercise of remedies against the Collateral and that other actions or omissions by the Collateral Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6(j). Without limitation upon the foregoing, nothing contained in this Section 6(j) shall be construed to grant any rights to Borrower or to impose any duties on the Collateral Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 6(j).~~

7. BRIDGE FINANCING. The parties acknowledge and agree that the Notes are being issued in connection with a bridge financing of up to \$1,500,000. In the event that in connection with the Bridge Financing (in an aggregate amount, along with all other Notes, of up to \$1,500,000), the Borrower enters into a Secured Bridge Note with a new lender (each a "Future Bridge Lender") after the date hereof, the Borrower will cause such Future Bridge Lender to execute and deliver a

joinder agreement to this Agreement. For the avoidance of doubt, (a) any Secured Bridge Note with a Future Bridge Lender will be on substantially the same terms as the Notes, and (b) upon execution of a joinder, such Future Bridge Lender will become a Secured Party under this Agreement and the obligations under the Secured Bridge Note in favor of such Future Bridge Lender will be Secured Obligations under this Agreement.

8. MISCELLANEOUS

(a) This Agreement can be waived, modified or amended only explicitly in a writing signed by the Collateral Agent. A waiver signed by the Collateral Agent on behalf of the Secured Parties shall be effective only in the specific instance and for the purpose given.

(b) Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Parties' rights or remedies. All rights and remedies of the Secured Parties shall be cumulative and may be exercised singularly or concurrently by the Collateral Agent on behalf of the Secured Parties, at the Collateral Agent's option, and all shall be available to the Collateral Agent for the benefit of the Secured Parties until all the Secured Obligations have been paid and performed in full, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

(c) Any notice, demand, request, instruction, correspondence, or other document required or permitted to be given hereunder by any party to the other shall be in writing and delivered (i) in person, (ii) by a nationally recognized overnight courier service requiring acknowledgment of receipt of delivery, (iii) by United States certified mail, postage prepaid and return receipt requested, or (iv) by facsimile, as follows:

if to Borrower, to:

Titan CNG LLC  
315 Lake Street E.  
Suite 300  
Wayzata, MN 55391  
Attention: Kirk Honour, Chief Executive Officer

if to a Secured Party, to the addresses set forth on such Secured Party's respective signature page(s) to this Agreement, in each case, with a copy to Collateral Agent.

if to the Collateral Agent, to:

Red Ocean Consulting, LLC  
18935 Atlantic Blvd.  
Sun Isles, FL 33160  
Attn: Brenton G. Hayden, Manager

With a copy (which will not constitute notice) to:

Winthrop & Weinstine, PA  
Attn: Dean D. Willer  
225 South Sixth Street, Suite 3500  
Minneapolis, MN 55402  
Facsimile: (612) 604-6800

Notice shall be deemed given, received, and effective on: (i) if given by personal delivery or courier service, the date of actual receipt by the receiving party, or if delivery is refused on the date delivery was first attempted; (ii) if given by certified mail, the third day after being so mailed if posted with the United States Postal Service; and (iii) if given by facsimile, the date on which the facsimile is transmitted if confirmed by transmission report during the transmitter's normal business hours, or at the beginning of the next business day after transmission if confirmed at any time other than the transmitter's normal business hours. Any Person entitled to notice may change any address to which notice is to be given to it by giving notice of such change of address as provided in this Section 7(c). The inability to deliver notice because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date such attempt was first made. A party's authorized counsel may deliver any notice on such party's behalf.

(d) This Agreement shall be binding upon and inure to the benefit of Borrower, each Secured Party and the Collateral Agent and their respective heirs, representatives, successors and assigns and shall take effect when signed by Borrower and delivered to the Secured Parties, and Borrower waives notice of the Secured Parties' or the Collateral Agent's acceptance hereof. The Secured Parties or the Collateral Agent on behalf of the Secured Parties may execute this Agreement if appropriate for the purpose of filing, but the failure of any such party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement.

(e) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware and, unless the context otherwise requires, all terms used herein which are defined in the UCC of Delaware, as in effect in said state shall have the meanings therein stated.

(f) If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Secured Obligations.

(g) All actions and proceedings arising out of, or relating to, this Agreement shall be heard and determined in any state or federal court sitting in the County of Hennepin or County of Ramsey, State of Minnesota. Each of the parties, by execution and delivery of this Agreement, (i) expressly and irrevocably, consents and submits to the personal jurisdiction of any of such courts, (ii) consents to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to such party by hand or by certified mail, delivered or

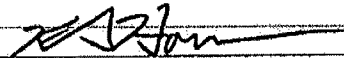
addressed as set forth in Section 7(c) hereof, (iii) waives any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or *forum non conveniens* or any similar basis and (iv) agrees not to directly or indirectly bring or assert and claim, action or other proceeding in any jurisdiction or forum other than the state and federal courts sitting in the County of Hennepin, State of Minnesota. Each party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

(h) EACH OF THE PARTIES KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY TO THE MAXIMUM EXTENT PERMITTED BY LAW IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH OF THE PARTIES ACKNOWLEDGES THAT IT HAS RECEIVED THE ADVICE OF COMPETENT COUNSEL IN CONNECTION HERewith.

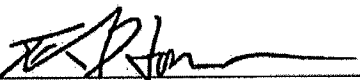
[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Borrower has executed and delivered this Security Agreement  
as of the date and year first above written.


TITAN CNG LLC

Signed:   
By: Kirk Honour  
Its: President

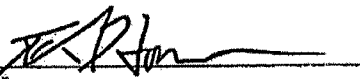
TITAN EL TORO LLC

Signed:   
By: Kirk Honour  
Its: President

TITAN DIAMOND BAR LLC

Signed:   
By: Kirk Honour  
Its: President

TITAN BLAINE LLC

Signed:   
By: Kirk Honour  
Its: President

AGREED AND ACCEPTED:

RED OCEAN CONSULTING, LLC, as Collateral Agent  
for the benefit of the Secured Parties

Signed: \_\_\_\_\_  
By: Brenton G. Hayden  
Its: Manager



IN WITNESS WHEREOF, Borrower has executed and delivered this Security Agreement  
as of the date and year first above written.

TITAN CNG LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President

TITAN BL TORO LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: \_\_\_\_\_

TITAN DIAMOND BAR LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: \_\_\_\_\_

TITAN BLAINE LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: \_\_\_\_\_

AGREED AND ACCEPTED:

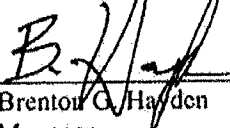
RBD OCEAN CONSULTING, LLC, as Collateral Agent  
for the benefit of the Secured Parties

Signed: B. Hayden  
By: Brenton G. Hayden  
Its: Manager

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

RED OCEAN CONSULTING, LLC

Signed:   
By: Brenton G. Hayden  
Its: Manager

Address: 18935 Atlantic Blvd.  
Sun Isles, FL 33160  
Attn: Brenton G. Hayden

AGREED AND ACCEPTED:

TITAN CNG LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

---

RED OCEAN CONSULTING, LLC

Signed: \_\_\_\_\_  
By: Brenton G. Hayden  
Its: Manager

Address: 18935 Atlantic Blvd.  
Sun Isles, FL 33160  
Attn: Brenton G. Hayden

AGREED AND ACCEPTED:

TITAN CNG LLC

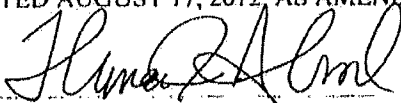
Signed:  \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

---

THOMAS J. ABOOD REVOCABLE TRUST  
U/A DATED AUGUST 17, 2012, AS AMENDED

Signed:   
Thomas Abood, its Trustee

Address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

THOMAS J. ABOOD REVOCABLE TRUST  
U/A DATED AUGUST 17, 2012, AS AMENDED

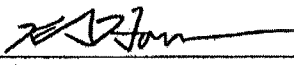
Signed: \_\_\_\_\_  
Thomas Abood, its Trustee

Address: \_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed:  \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

---

SECURED PARTY:

Signed: James Jackson  
James Jackson

Address: 16655 Tiencun Road Dr.  
Pacific Palisades CA 90272

Facsimile: 213-225-5916

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

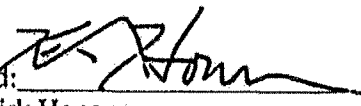
Signed: \_\_\_\_\_  
James Jackson

Address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:


TITAN CNG, LLC

Signed:  \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE TERMS AND CONDITIONS HEREOF AND TO THE APPOINTMENT OF THE COLLATERAL AGENT AS SET FORTH ABOVE:

SECURED PARTY:

ALPETER FAMILY LIMITED PARTNERSHIP

Signed:   
By: Steven Alpeter  
Its: Limited Partner

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President



BY SIGNING BELOW, I AGREE TO THE TERMS AND CONDITIONS HEREOF AND TO THE APPOINTMENT OF THE COLLATERAL AGENT AS SET FORTH ABOVE:

SECURED PARTY:

ALPETER FAMILY LIMITED PARTNERSHIP

Signed: \_\_\_\_\_

By: Steven Alpeter

Its: Limited Partner

Address: \_\_\_\_\_

\_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

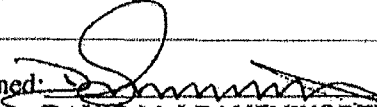
Signed:  \_\_\_\_\_

By: Kirk Honour

Its: President

BY SIGNING BELOW, I AGREE TO THE TERMS AND CONDITIONS HEREOF AND TO THE APPOINTMENT OF THE COLLATERAL AGENT AS SET FORTH ABOVE:

SECURED PARTY:

Signed:   
DAVID M. LEAVENWORTH

Address: 1500 Bonny Road  
Orono, MN 55391

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL AGENT AS SET FORTH ABOVE:

SECURED PARTY:

Signed: \_\_\_\_\_  
DAVID M. LEAVENWORTH

Address: \_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

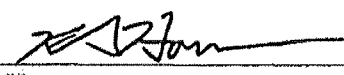
Signed:  \_\_\_\_\_  
By: Kirk Honour  
Its: President

EXHIBIT A  
PERMITTED INTERESTS

1. The security interest granted to Tradition Capital Bank pursuant to the Loan Agreement dated December 31, 2014 among Titan El Toro LLC, Titan CNG LLC (f/k/a FIRSTCNG LLC), and Tradition Capital Bank, and the documents executed in connection therewith, including, ~~without limitation, the Security Agreement dated December 31, 2014 among Titan El Toro LLC, Titan CNG LLC (f/k/a FIRSTCNG LLC), and Tradition Capital Bank.~~

EXHIBIT B  
COLLATERAL LOCATIONS,

1. 24201 El Toro Rd, Lake forest, CA 92630.
2. 21865 Copley Dr Diamond Bar, CA 91765.
3. 2830 101st Ave NE, Blaine, MN 55449.

# EXHIBIT A-8

## SECOND AMENDED AND RESTATED SECURITY AGREEMENT

THIS SECOND AMENDED AND RESTATED SECURITY AGREEMENT (this "Agreement"), is entered into effective as of the 31<sup>st</sup> day of January, 2017, by Titan CNG LLC, a Delaware limited liability company located at 315 Lake Street E. Suite 301, Wayzata, MN 55391, Titan El Toro LLC, a Delaware limited liability company ("Titan"), Titan Diamond Bar LLC, a Delaware limited liability company, Titan Blaine LLC, a Minnesota limited liability company, and Minn Shares Inc., a Delaware corporation (collectively, "Borrower"), for the benefit of those Persons who have each executed a signature page hereto as a secured party (each a "Secured Party") and collectively, the "Secured Parties") following making a financial accommodation to Borrower, and Red Ocean Consulting, LLC ("Collateral Agent"), solely in its capacity as Collateral Agent.

In order to secure the prompt and complete payment of the indebtedness and performance of the obligations evidenced by those certain Bridge Notes (the "Notes") issued to the Secured Parties by Titan (all such debts, liabilities and obligations of Titan to the Secured Party herein collectively referred to as the "Secured Obligations") pursuant to those certain Subscription and Investment Representation Agreements executed by Borrower and each Secured Party (the "Subscription Agreement"), the parties hereto desire to enter into this Agreement. In all cases, decisions to be made by the Secured Parties hereunder shall be made by the Collateral Agent (as defined below) on behalf of the Secured Parties.

1. SECURITY INTEREST AND COLLATERAL. In order to secure the prompt and complete payment and performance of the Secured Obligations, Borrower hereby pledges, assigns and grants to each Secured Party a security interest (herein called the "Security Interest") in all of Borrower's right, title and interest, whether now owned or hereafter acquired, in and to the following property (such property collectively referred to as the "Collateral"):

all property and assets of Borrower including, without limitation, any and all furniture, fixtures, machinery, equipment, inventory, accounts, deposit accounts, receivables, cash on hand, vehicles, prepaid insurance, letter of credit rights, supplies, patents, patent rights, copyrights, trademarks, trade names, goodwill, royalty rights, franchise rights, chattel paper (including, but not limited to, electronic chattel paper and tangible chattel paper), contract rights, commercial tort claims, data processing records and systems, supporting obligations, license rights, documents, instruments, investment property, software, payment intangibles, general intangibles and any and all other goods, now owned or hereafter acquired by Borrower and wherever located, together with all supporting obligations, substitutions and replacements for and products and proceeds of any of the foregoing property and, in the case of all tangible Collateral, together with (i) all accessories, attachments, parts, equipment, accessions and repairs now or hereafter attached or affixed to or used in connection with any such goods, and (ii) all warehouse receipts, bills of lading and other documents now or hereafter covering such goods.

together with all substitutions and replacements for and products and proceeds of any of the foregoing property.

2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS. Borrower hereby represents and warrants to, and covenants and agrees with, each Secured Party as follows:

(a) Except with respect to the Agreement and Plan of Securities Exchange with Minn Shares Inc., a Delaware corporation, Borrower will not change its name or any trade name or "d/b/a" under which it currently operates or conducts business, or its Federal Employee Identification Number, mailing address, or place(s) of business unless, in each such case, Borrower shall have given the Collateral Agent not less than fifteen (15) days' prior written notice of such event or occurrence, which shall be extended as necessary to provide the Collateral Agent a reasonably sufficient opportunity to take such steps (with the cooperation of Borrower to the extent necessary or advisable) as are reasonably necessary or advisable to properly maintain the validity, perfection and priority of the Secured Parties' Security Interest in the Collateral in accordance with the terms of this Agreement.

(b) Borrower has (or will have at the time Borrower acquires rights in Collateral hereafter acquired or arising) and will (i) maintain absolute and valid title to each item of Collateral free and clear of all liens, except the Security Interest and such other security interests described on Exhibit A hereto (collectively, along with the Security Interest, the "Permitted Interests"), (ii) defend title to the Collateral against all claims or demands of all Persons other than the Secured Parties and those holding Permitted Interests, and (iii) defend the Security Interest of the Secured Parties in such Collateral and the priority thereof against any liens.

(c) Borrower has full right and all necessary power and authority to grant to the Secured Parties the Security Interest in such Collateral pursuant hereto. The execution and delivery by Borrower of this Agreement does not require the consent of any other Person and this Agreement constitutes a legal, valid and binding obligation of Borrower and creates a security interest which is enforceable against Borrower in all Collateral Borrower now owns or hereafter acquires, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyances, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally, (ii) general equitable principles (whether considered in a proceeding in equity or at law), and (iii) requirements of reasonableness, good faith and fair dealing. When financing statements have been filed in the appropriate offices against Borrower, each Secured Party will have a fully-perfected security interest in the Collateral owned by Borrower, with priority over all others other than the holder of Permitted Interests, in which a security interest may be perfected by filing in such offices. The Collateral shall be located at the addresses noted on Exhibit B.

(d) Other than the Permitted Interests, Borrower (i) is the legal, record and beneficial owner of, and has good and marketable title to the Collateral, subject to no lien (except as created by this Agreement); (ii) has full power, authority and legal right to pledge from time to time all of the Collateral pursuant to this Agreement; and (iii) all of the Collateral have been duly and validly issued, are fully paid and nonassessable.

(e) All rights to payment and all instruments, documents, chattel paper and other agreements constituting or evidencing Collateral are (or will be when arising or issued) the valid,



genuine and legally enforceable obligation, subject to no defense, set-off or counterclaim (other than those arising in the ordinary course of business) of each account debtor or other obligor named therein or in Borrower's records pertaining thereto as being obligated to pay such obligation.

(f) Borrower will (i) other than taxes and other governmental charges contested in good faith and by appropriate proceedings, promptly pay all taxes and other governmental charges levied or assessed upon or against any Collateral or upon or against the creation, perfection or continuance of the Security Interest; (ii) keep all Collateral free and clear of all liens, except the Security Interests and the Permitted Interests; (iii) at all reasonable times, permit the Collateral Agent or its representatives to examine or inspect any Collateral, wherever located, and to examine, inspect and copy Borrower's books and records pertaining to the Collateral and its business and financial condition and to discuss with account debtors and other obligors requests for verifications of amounts owed to Borrower; (iv) keep accurate and complete records pertaining to the Collateral and pertaining to Borrower's business and financial condition and will submit to the Collateral Agent such periodic reports concerning the Collateral and Borrower's business and financial condition as the Collateral Agent may from time to time reasonably request; (v) if the Collateral Agent at any time reasonably requests, promptly deliver to the Collateral Agent any instrument, document or chattel paper constituting Collateral, duly endorsed or assigned by Borrower to the Secured Parties; (vi) from time to time execute such financing statements as the Collateral Agent may reasonably deem required to be filed in order to perfect the Security Interest and, if any Collateral is covered by a certificate of title, execute such documents as may be required to have the Security Interest properly noted on a certificate of title; (vii) pay when due or reimburse the Collateral Agent or any Secured Party on demand for all costs of collection of any of the Secured Obligations and, subject to any limitations set forth in the Notes, all other out-of-pocket expenses (including in each case all attorneys' fees) incurred by the Collateral Agent or any Secured Party in connection with the creation, perfection, satisfaction or enforcement of the Security Interest or the execution or creation, continuance or enforcement of this Agreement or any or all of the Secured Obligations including, without limitation, expenses incurred in any litigation or bankruptcy or insolvency proceedings; (viii) execute, deliver or endorse any and all instruments, documents, assignments, security agreements and other agreements and writings which the Collateral Agent may at any time reasonably request in order to secure, protect, perfect or enforce the Security Interest and the Secured Parties' rights under this Agreement including, without limitation, an assignment of claim with respect to any account which is a government receivable; (ix) not use or keep any Collateral, or permit it to be used or kept, for any unlawful purpose or in violation of any federal, state or local law, statute or ordinance; (x) permit the Collateral Agent at any time and from time to time to send requests to account debtors or other obligors for verification of amounts owed to Borrower; and (xi) conduct its business in the ordinary course of business. If Borrower at any time fails to perform or observe any agreement contained in this Section 2(f), and if such failure shall continue for a period of thirty (30) calendar days after the Collateral Agent gives Borrower written notice thereof, the Collateral Agent may (but need not) perform or observe such agreement on behalf and in the name, place and stead of Borrower (or, at the Collateral Agent's option, in the Secured Parties' own name) and may (but need not) take any and all other actions which the Collateral Agent may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of liens, the performance of obligations under contracts or agreements with account debtors or other obligors (other than Permitted Interests), the procurement and maintenance of insurance, the execution of financing statements, the endorsement of

instruments, and the procurement of repairs, transportation or insurance); and, except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, Borrower shall thereupon pay the Collateral Agent or any Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees) incurred by the Collateral Agent or any such Secured Party in connection with or as a result of the Collateral Agent's performing or observing such agreements or taking such actions, together with interest thereon from the date expended or incurred by the Collateral Agent or such Secured Party at the lowest rate provided for in the Notes. To facilitate the performance or observance by the Collateral Agent of such agreements of Borrower, Borrower hereby irrevocably appoints (which appointment is coupled with an interest) the Collateral Agent, or its delegate, as the attorney-in-fact of Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of Borrower, any and all instruments, documents, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Borrower under this Section 2.

(g) Borrower hereby authorizes the Collateral Agent to file, and if requested will execute and deliver to the Collateral Agent, all financing statements describing the Collateral and other documents and take such other actions as may from time to time reasonably be requested by the Collateral Agent in order to maintain a perfected security interest in and, if applicable, control of, the Collateral. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary, advisable or prudent to ensure that the perfection of the security interest in the Collateral granted to the Secured Parties herein, including, without limitation, describing such property as "all assets" or "all personal property, whether now owned or hereafter acquired."

3. ASSIGNMENT OF INSURANCE. Borrower hereby assigns to the Collateral Agent for the benefit of the Secured Parties, as additional security for the payment of the Secured Obligations, any and all moneys (including, but not limited to, proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of Borrower under or with respect to, any and all policies of insurance covering the Collateral, and Borrower hereby directs the issuer of any such policy to pay any such moneys to the Collateral Agent for the benefit of the Secured Parties in the event an Event of Default (an "Event of Default") has occurred (as such term is defined in the Notes) and is continuing on the date upon which such amounts are paid. Upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may on behalf of the Secured Parties (but need not) in its name for the benefit of the Secured Parties or in Borrower's name, execute and deliver proofs of claim, receive all such monies (subject to Borrower's rights), endorse checks and other instruments representing payment of such monies, and adjust, litigate, compromise or release any claim against the issuer of any such policy.

4. COLLECTION OF ACCOUNTS. The Collateral Agent may on behalf of the Secured Parties, or at the Collateral Agent's request, Borrower shall, upon the occurrence and during the continuance of an Event of Default, notify any account debtor or any obligor on an instrument to make payment directly to a post office box specified by and under the sole control of the Collateral Agent, whether or not the Collateral Agent was theretofore making collections with respect thereto,

and the Collateral Agent shall be entitled to take control of any proceeds thereof for the benefit and on behalf of the Secured Parties. If so requested by the Collateral Agent, Borrower shall insert appropriate language on each invoice directing its customers to make payment to such post office box. Borrower hereby authorizes and directs the Collateral Agent to deposit into a special collateral account to be established and maintained with the Collateral Agent all checks, drafts and cash payments, received in said lock box. All deposits in said collateral account shall constitute proceeds of Collateral and shall not constitute payment of any of the Secured Obligations. At its option, the Collateral Agent may, at any time, apply finally collected funds on deposit in said collateral account to the payment of the Secured Obligations in such order of application as the Collateral Agent may determine, or permit Borrower to withdraw all or any part of the balance on deposit in said collateral account. If a collateral account is so established, Borrower agrees that it will promptly deliver to the Collateral Agent for deposit into said collateral account all payments on accounts and chattel paper received by it. All such payments shall be delivered to the Collateral Agent in the form received (except for Borrower's endorsement where necessary). Until so deposited, all payments on accounts and chattel paper received by Borrower shall be held in trust by Borrower for and as the property of the Secured Parties and shall not be commingled with any funds or property of Borrower.

5. REMEDIES. Upon the occurrence of an Event of Default and at any time thereafter, the Collateral Agent may exercise, on behalf and for the benefit of the Secured Parties, any one or more of the following rights in addition to any other remedies available under the Notes or available at law: (i) exercise and enforce any or all rights and remedies available after default to a secured party under the Uniform Commercial Code ("UCC") in effect in the applicable jurisdiction, including but not limited to the right to take possession of any Collateral, proceeding without judicial process or by judicial process (without a prior hearing or notice thereof, which Borrower hereby expressly waives), and the right to sell, lease or otherwise dispose of or use any or all of the Collateral; (ii) the Collateral Agent may require Borrower to assemble the Collateral and make it available to the Collateral Agent at a place to be designated by the Collateral Agent which is reasonably convenient to both parties; (iii) exercise its rights under any lessors' agreements regardless of whether or not Borrower is in default under such leases; and (iv) exercise or enforce any or all other rights or remedies available to the Secured Parties by law or agreement against the Collateral, against Borrower or against any other Person or property. The Collateral Agent is hereby granted a non-exclusive, worldwide and royalty-free license to use or otherwise exploit all trademarks, franchises, copyrights and patents of Borrower that the Collateral Agent deems necessary or appropriate to the disposition of any Collateral. If notice to Borrower of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in Section 7(c) hereof) at least ten (10) calendar days prior to the date of intended disposition or other action.

6. APPOINTMENT OF AGENT; INDEMNIFICATION OF AGENT. (a) Each Secured Party appoints Red Ocean Consulting, LLC to act, and Red Ocean Consulting, LLC agrees to act, as Collateral Agent for such Secured Party pursuant to the terms of this Agreement, the Notes, the Subscription Agreement (collectively, the "Loan Documents") and to execute and enter into this Agreement and all other instruments relating to this Agreement and (i) to take actions on such Secured Party's behalf that are expressly permitted under the provisions of this

Agreement, the Loan Documents and all other instruments or agreements relating hereto or thereto, and (ii) to exercise such powers and perform such duties as are, in each case, expressly delegated to the Collateral Agent by the terms hereof and thereof. COLLATERAL AGENT SHALL HAVE THE SOLE POWER AND AUTHORITY TO DECLARE A DEFAULT OR AN EVENT OF DEFAULT UNDER THE NOTES, WAIVE ANY DEFAULT OR AN EVENT OF DEFAULT UNDER THE NOTES AND EXERCISE ANY RIGHTS AND REMEDIES UNDER THE NOTES. The Collateral Agent may be removed by the Secured Parties holding a majority of the outstanding amounts due on the Notes. The Collateral Agent may resign at any time for any reason by submitting a written resignation to the Secured Parties holding a majority of the outstanding amounts due on the Notes. Such resignation shall be effective upon the date set forth thereon. Vacancies as a result of the removal, resignation, death or incapacity of the Collateral Agent shall be filled by the Secured Parties holding a majority of the outstanding amounts due on the Notes.

THE AGENT HAS CONSENTED TO SERVE AS AGENT HEREUNDER ON THE EXPRESS UNDERSTANDING, AND EACH SECURED PARTY, BY ACCEPTING THE BENEFITS OF THIS AGREEMENT, SHALL BE DEEMED TO HAVE AGREED, THAT THE AGENT SHALL HAVE NO DUTY AND SHALL OWE NO OBLIGATION OR RESPONSIBILITY (FIDUCIARY OR OTHERWISE), REGARDLESS OF WHETHER AN EVENT OF DEFAULT HAS OCCURRED AND IS CONTINUING, TO SUCH SECURED PARTIES, OTHER THAN THE DUTY TO PERFORM ITS EXPRESS OBLIGATIONS UNDER THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS IN ACCORDANCE WITH THEIR RESPECTIVE TERMS, SUBJECT IN ALL EVENTS TO THE PROVISIONS OF THIS AGREEMENT LIMITING THE RESPONSIBILITY OR LIABILITY OF THE AGENT HEREUNDER.

(b) The Collateral Agent shall not be required to ascertain or inquire as to (i) any statement, warranty or representation made herein or in connection herewith or in connection with any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent. Neither the Collateral Agent nor any officer, agent or representative thereof shall be personally liable for any action taken or omitted to be taken by any such Person in connection with this Agreement or any Loan Document except for its own gross negligence or willful misconduct or, in the case of the Collateral Agent, in the case of the loss of any moneys in the possession of the Collateral Agent, for the failure of the Collateral Agent to accord such moneys the same care as a prudent person in the same or similar circumstances would accord its own assets. The Collateral Agent may execute any of the powers granted to it under this Agreement and perform any duty hereunder either directly or by or through sub-agents or attorneys-in-fact, and shall not be responsible for the negligence (including gross negligence) or misconduct (including willful misconduct) of any sub-agents or attorneys-in-fact selected by it with the care that a prudent person in similar circumstances would have employed in such selection. The Collateral Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Affiliates. The exculpatory provisions set

forth in this Section 6 and in the other Loan Documents shall apply to any such sub-agent and to the Affiliates of the Collateral Agent and any such sub-agent.

(c) Whenever in the performance of its duties under this Agreement the Collateral Agent shall deem it necessary or desirable that a matter be proved or established with respect to Borrower or any other Person in connection with the taking, suffering or omitting of any action hereunder by the Collateral Agent, such matter may be conclusively deemed to be proved or established by a certificate executed by an officer of such Person, and the Collateral Agent shall have no liability with respect to any action taken, suffered or omitted in reliance thereon,

(d) The Collateral Agent shall be fully protected in relying upon any resolution, statement, certificate, instrument, opinion, report, notice (including any notice of an Event of Default or of the cure or waiver thereof), request, consent, order or other paper or document or oral conversation (including, telephone conversations) which it in good faith believes to be genuine and correct and to have been signed, presented or made by the proper party. The Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any notice, certificate or opinion furnished to the Collateral Agent in connection with this Agreement.

(e) The Collateral Agent shall not be deemed to have actual, constructive, direct or indirect notice or knowledge of the occurrence of any Event of Default unless and until the Collateral Agent shall have received written notice thereof from any Secured Party or Borrower. The Collateral Agent shall have no obligation whatsoever either prior to or after receiving such a notice to inquire whether an Event of Default has, in fact, occurred and shall be entitled to rely conclusively, and shall be fully protected in so relying, on any notice so furnished to it.

(f) The remedies of the Collateral Agent hereunder and under the other Loan Documents shall include, but not be limited to, the disposition of the Collateral by foreclosure or other sale and the exercising of all remedies of a secured lender under the UCC, bankruptcy laws or similar laws of any applicable jurisdiction.

(g) To the extent the exercise of the rights, powers and remedies of the Collateral Agent in accordance with this Agreement requires that any action be taken by any Secured Party, such Secured Party shall take such action and cooperate with the Collateral Agent to ensure that the rights, powers and remedies of all Secured Parties are exercised in full.

(h) The Collateral Agent may at any time and from time to time following the occurrence and during the continuance of an Event of Default, in the Collateral Agent's own name, in the name of a nominee of the Collateral Agent, or in the name of Borrower communicate (by mail, telephone or otherwise) with the account debtors of Borrower, parties to contracts with Borrower and obligors with respect to instruments of Borrower to verify with such Persons, to the Collateral Agent's satisfaction, the existence, amount, terms of, and any other matter relating to, accounts, instruments, chattel paper, payment intangibles and/or other receivables that are Collateral.

(i) Borrower irrevocably authorizes the Collateral Agent and appoints the Collateral

Agent as its attorney in fact (i) at any time and from time to time in the sole discretion of the Collateral Agent (1) to execute on behalf of Borrower as debtor and to file financing statements necessary or desirable in the Collateral Agent's reasonable discretion to perfect and to maintain the perfection and priority of the Secured Parties' Security Interest in the Collateral, (2) to file a carbon, photographic or other reproduction of this Agreement or any financing statement with respect to the Collateral as a financing statement and to file any other financing statement or amendment of a financing statement (which would not add new collateral or add a debtor) in such offices as the Collateral Agent in its reasonable discretion deems necessary or desirable to perfect and to maintain the perfection and priority of the Secured Parties' Security Interest in the Collateral, and (3) to discharge past due taxes, assessments, charges, fees or liens on the Collateral; (ii) at any time following the occurrence and during the continuance of an Event of Default, (1) to endorse and collect any cash proceeds of the Collateral and to apply the proceeds of any Collateral received by the Collateral Agent to the Secured Obligations, (2) to demand payment or enforce payment of the receivables in the name of the Collateral Agent or Borrower and to endorse any and all checks, drafts, and other instruments for the payment of money relating to the receivables, (3) to sign Borrower's name on any invoice or bill of lading relating to Borrower's receivables, drafts against any account debtor of Borrower, assignments and verifications of Borrower's receivables, (4) to exercise all of Borrower's rights and remedies with respect to the collection of Borrower's receivables and any other Collateral, (5) to settle, adjust, compromise, extend or renew Borrower's receivables (including, without limitation, making, settling and adjusting claims in respect of Collateral under policies of insurance and making all determinations and decisions with respect thereto), (6) to settle, adjust or compromise any legal proceedings brought to collect Borrower's receivables, (7) to prepare, file and sign Borrower's name on a proof of claim in bankruptcy or similar document against any account debtor of Borrower, (8) to prepare, file and sign any Borrower's name on any notice of lien, assignment or satisfaction of lien or similar document in connection with Borrower's receivables, (9) to change the address for delivery of mail addressed to Borrower to such address as the Collateral Agent may designate and to receive, open and dispose of all mail addressed to Borrower; and (iii) to do all other acts and things reasonably necessary to carry out the terms of this Agreement; and Borrower agrees to reimburse the Collateral Agent on demand for any reasonable payment made or any reasonable documented expense incurred by the Collateral Agent in connection with any of the foregoing; provided that this authorization shall not relieve Borrower of any of its obligations under this Agreement or any other Loan Document. All acts of said attorney or designee are hereby ratified and approved by Borrower. The powers conferred on the Collateral Agent, for the benefit of the Collateral Agent and the Secured Parties, under this Section 6(i) are solely to protect the Secured Parties' interests in the Collateral and shall not impose any duty upon the Collateral Agent or any Secured Party to exercise any such powers.

(j) Neither the Collateral Agent nor any Secured Party shall be obligated to preserve any rights Borrower may have against any other Person, to realize on the Collateral at all or in any particular manner or order, or to apply any cash proceeds of Collateral in any particular order of application. Further, the Collateral Agent shall have no obligation to clean-up or otherwise prepare the Collateral for sale. The Collateral Agent and each Secured Party shall use reasonable care with respect to the Collateral in its possession or under its control. Neither the Collateral Agent nor any Secured Party shall have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Collateral Agent or such

Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. To the extent that applicable law imposes duties on the Collateral Agent to exercise remedies in a commercially reasonable manner, Borrower acknowledges and agrees that it would be commercially reasonable for the Collateral Agent (i) to fail to incur expenses deemed significant by the Collateral Agent to prepare Collateral for disposition or otherwise to transform raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to fail to exercise collection remedies against account debtors or other Persons obligated on Collateral or to remove liens on or any adverse claims against Collateral, (iv) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (vi) to contact other Persons, whether or not in the same business as Borrower, for expressions of interest in acquiring all or any portion of such Collateral, (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (ix) to dispose of assets in wholesale rather than retail markets, (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure the Collateral Agent against risks of loss, collection or disposition of Collateral or to provide to the Collateral Agent a guaranteed return from the collection or disposition of Collateral, or (xii) to the extent deemed appropriate by the Collateral Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Collateral Agent in the collection or disposition of any of the Collateral. Borrower acknowledges that the purpose of this Section 6(j) is to provide non-exhaustive indications of what actions or omissions by the Collateral Agent would be commercially reasonable in the Collateral Agent's exercise of remedies against the Collateral and that other actions or omissions by the Collateral Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6(j). Without limitation upon the foregoing, nothing contained in this Section 6(j) shall be construed to grant any rights to Borrower or to impose any duties on the Collateral Agent that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 6(j).

7. **BRIDGE FINANCING.** The parties acknowledge and agree that the Notes are being issued in connection with a bridge financing of up to \$1,500,000. In the event that in connection with the Bridge Financing (in an aggregate amount, along with all other Notes, of up to \$1,500,000), the Borrower enters into a Secured Bridge Note with a new lender (each a "Future Bridge Lender") after the date hereof, the Borrower will cause such Future Bridge Lender to execute and deliver a joinder agreement to this Agreement. For the avoidance of doubt, (a) any Secured Bridge Note with a Future Bridge Lender will be on substantially the same terms as the Notes, and (b) upon execution of a joinder, such Future Bridge Lender will become a Secured Party under this Agreement and the obligations under the Secured Bridge Note in favor of such



Future Bridge Lender will be Secured Obligations under this Agreement.

8. MISCELLANEOUS.

(a) This Agreement can be waived, modified or amended only explicitly in a writing signed by the Collateral Agent. A waiver signed by the Collateral Agent on behalf of the Secured Parties shall be effective only in the specific instance and for the purpose given.

(b) Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Parties' rights or remedies. All rights and remedies of the Secured Parties shall be cumulative and may be exercised singularly or concurrently by the Collateral Agent on behalf of the Secured Parties, at the Collateral Agent's option, and all shall be available to the Collateral Agent for the benefit of the Secured Parties until all the Secured Obligations have been paid and performed in full, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

(c) Any notice, demand, request, instruction, correspondence, or other document required or permitted to be given hereunder by any party to the other shall be in writing and delivered (i) in person, (ii) by a nationally recognized overnight courier service requiring acknowledgment of receipt of delivery, (iii) by United States certified mail, postage prepaid and return receipt requested, or (iv) by facsimile, as follows:

if to Borrower, to:

Titan CNG LLC  
315 Lake Street E.  
Suite 300  
Wayzata, MN 55391  
Attention: Kirk Honour, Chief Executive Officer

if to a Secured Party, to the addresses set forth on such Secured Party's respective signature page(s) to this Agreement, in each case, with a copy to Collateral Agent.

if to the Collateral Agent, to:

Red Ocean Consulting, LLC  
18935 Atlantic Blvd.  
Sun Isles, FL 33160  
Attn: Brenton G. Hayden, Manager



With a copy (which will not constitute notice) to:

Winthrop & Weinstine, PA  
Attn: Dean D. Willer  
225 South Sixth Street, Suite 3500  
Minneapolis, MN 55402  
Facsimile: (612) 604-6800

Notice shall be deemed given, received, and effective on: (i) if given by personal delivery or courier service, the date of actual receipt by the receiving party, or if delivery is refused on the date delivery was first attempted; (ii) if given by certified mail, the third day after being so mailed if posted with the United States Postal Service; and (iii) if given by facsimile, the date on which the facsimile is transmitted if confirmed by transmission report during the transmitter's normal business hours, or at the beginning of the next business day after transmission if confirmed at any time other than the transmitter's normal business hours. Any Person entitled to notice may change any address to which notice is to be given to it by giving notice of such change of address as provided in this Section 7(c). The inability to deliver notice because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date such attempt was first made. A party's authorized counsel may deliver any notice on such party's behalf.

(d) This Agreement shall be binding upon and inure to the benefit of Borrower, each Secured Party and the Collateral Agent and their respective heirs, representatives, successors and assigns and shall take effect when signed by Borrower and delivered to the Secured Parties, and Borrower waives notice of the Secured Parties' or the Collateral Agent's acceptance hereof. The Secured Parties or the Collateral Agent on behalf of the Secured Parties may execute this Agreement if appropriate for the purpose of filing, but the failure of any such party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement.

(e) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware and, unless the context otherwise requires, all terms used herein which are defined in the UCC of Delaware, as in effect in said state shall have the meanings therein stated.

(f) If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Secured Obligations.

(g) All actions and proceedings arising out of, or relating to, this Agreement shall be heard and determined in any state or federal court sitting in the County of Hennepin or County of Ramsey, State of Minnesota. Each of the parties, by execution and delivery of this Agreement, (i) expressly and irrevocably, consents and submits to the personal jurisdiction of any of such courts, (ii) consents to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to such party by hand or by certified mail, delivered or


addressed as set forth in Section 7(c) hereof, (iii) waives any claim or defense in any such action or proceeding based on any alleged lack of personal jurisdiction, improper venue or *forum non conveniens* or any similar basis and (iv) agrees not to directly or indirectly bring or assert and claim, action or other proceeding in any jurisdiction or forum other than the state and federal courts sitting in the County of Hennepin, State of Minnesota. Each party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or in equity.

(h) EACH OF THE PARTIES KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ITS RIGHT TO A TRIAL BY JURY TO THE MAXIMUM EXTENT PERMITTED BY LAW IN ANY ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS IT CONTEMPLATES. THIS WAIVER APPLIES TO ANY ACTION OR OTHER LEGAL PROCEEDING, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. EACH OF THE PARTIES ACKNOWLEDGES THAT IT HAS RECEIVED THE ADVICE OF COMPETENT COUNSEL IN CONNECTION HEREWITH.


[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Borrower has executed and delivered this Security Agreement as of the date and year first above written.


TITAN CNG LLC

Signed:   
By: Kirk S. Honour  
Its: President


TITAN EL TORO LLC

Signed:   
By: Kirk S. Honour  
Its: President


TITAN DIAMOND BAR LLC

Signed:   
By: Kirk S. Honour  
Its: President

TITAN BLAINE LLC

Signed:   
By: Kirk S. Honour  
Its: President

MINN SHARES INC.

Signed:   
By: Kirk S. Honour  
Its: President

AGREED AND ACCEPTED:

RED OCEAN CONSULTING, LLC, as Collateral Agent  
for the benefit of the Secured Parties

Signed: \_\_\_\_\_  
By: Brenton G. Hayden  
Its: Manager

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

RED OCEAN CONSULTING, LLC

Signed: B. Hayden  
By: Brenton G. Hayden  
Its: Manager

Address: 18935 Atlantic Blvd.  
Sun Isles, FL 33160  
Attn: Brenton G. Hayden

AGREED AND ACCEPTED

TITAN CMS LLC

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:


RED OCEAN CONSULTING, LLC

Signed: \_\_\_\_\_  
By: Brenton G. Hayden  
Its: Manager

Address: 18935 Atlantic Blvd.  
Sun Isles, FL 33160  
Attn: Brenton G. Hayden

AGREED AND ACCEPTED:

TITAN CNG LLC

Signed:   
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

THOMAS J. ABOOD REVOCABLE TRUST  
U/A DATED AUGUST 17, 2012, AS AMENDED

Signed: \_\_\_\_\_  
Thomas Abood, its Trustee

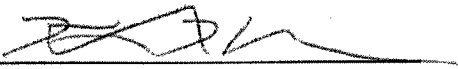
Address: \_\_\_\_\_

\_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed:   
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

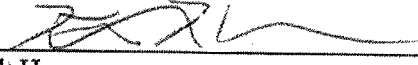
Signed: \_\_\_\_\_  
James Jackson

Address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile: \_\_\_\_\_  
\_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed:   
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE TERMS AND CONDITIONS HEREOF AND TO THE APPOINTMENT OF THE COLLATERAL AGENT AS SET FORTH ABOVE:

SECURED PARTY:

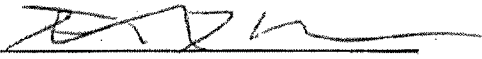
ALPETER FAMILY LIMITED PARTNERSHIP

Signed: \_\_\_\_\_  
By: Steven Alpeter  
Its: Limited Partner

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed:  \_\_\_\_\_  
By: Kirk Honour  
Its: President



BY SIGNING BELOW, I AGREE TO THE TERMS AND CONDITIONS HEREOF AND TO THE APPOINTMENT OF THE COLLATERAL AGENT AS SET FORTH ABOVE:

SECURED PARTY:

Signed: \_\_\_\_\_  
David M. Leavenworth

Address: \_\_\_\_\_  
\_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President

[SECURITY AGREEMENT SIGNATURE PAGE]

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

BONITA BEACH BLUES, INC.

Signed: \_\_\_\_\_  
Robert Emfield

Its:

Address: \_\_\_\_\_

\_\_\_\_\_

Facsimile: \_\_\_\_\_

AGREED AND ACCEPTED:

TITAN CNG, LLC

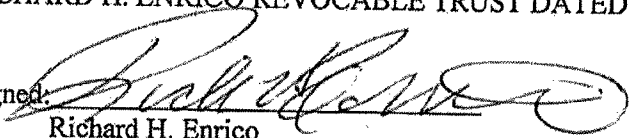
Signed: \_\_\_\_\_  
By: Kirk Honour  
Its: President

BY SIGNING BELOW, I AGREE TO THE  
TERMS AND CONDITIONS HEREOF AND TO  
THE APPOINTMENT OF THE COLLATERAL  
AGENT AS SET FORTH ABOVE:

SECURED PARTY:

RICHARD H. ENRICO REVOCABLE TRUST DATED JUNE 9, 1998

Signed:



Richard H. Enrico

Its: Trustee

Address:

19202 TRACE RIDGE ROAD  
CUBA, MN 55591

Facsimile:

AGREED AND ACCEPTED:

TITAN CNG, LLC

Signed:



By: Kirk Honour

Its: President

**[SECURITY AGREEMENT SIGNATURE PAGE]**

EXHIBIT A  
PERMITTED INTERESTS

1. The security interest granted to Tradition Capital Bank pursuant to the Loan Agreement dated December 31, 2014 among Titan El Toro LLC, Titan CNG LLC (f/k/a FIRSTCNG LLC), and Tradition Capital Bank, and the documents executed in connection therewith, including, without limitation, the Security Agreement dated December 31, 2014 among Titan El Toro LLC, Titan CNG LLC (f/k/a FIRSTCNG LLC), and Tradition Capital Bank.

2. The security interests and pledge granted or to be granted to Danny R. Cuzick, Damon R. Cuzick, Thomas J. Kiley, Theril H. Lund pursuant to the transactions contemplated by that certain Agreement and Plan of Securities Exchange, dated as of January 11, 2017, by and among EVO CNG, LLC, a Delaware limited liability company, Environmental Alternative Fuels, LLC, a Delaware limited liability company, Danny R. Cuzick, Damon R. Cuzick, Thomas J. Kiley, Theril H. Lund, and Minn Shares Inc.

EXHIBIT B  
COLLATERAL LOCATIONS

1. 24201 El Toro Rd., Lake Forest, CA 92630.
2. 21865 Copley Dr., Diamond Bar, CA 91765.
3. 2830 101st Ave. NE, Blaine, MN 55449.

FILED  
MAR 1 2018  
COURT REPORTER  
JENNIFER L. HARRIS  
1000 W. WASHINGTON AVENUE  
SUITE 1000  
MINNEAPOLIS, MN 55402  
TEL: 612.338.1100  
WWW.JLHARRIS.COM

# Form D Deepgreen Metals Inc.

## D - Notice of Exempt Offering of Securities

SEC.report (<https://sec.report/>) / DeepGreen Resources Inc. (/CIK/0001630641)

/ Form D (/Document/0001630641-18-000001/)

/ (Filer)

Published: 2018-01-22 17:21:00 (2018-01-22T17:21:00-0400)

Submitted: 2018-01-22

Filing Agent: DeepGreen Metals Inc. (/CIK/0001630641)

Period Ending In: 2018-01-22

[About Form D \(/Form/D\)](#)

[primary\\_doc.html](https://sec.report/Document/0001630641-18-000001/primary_doc.html)  ([https://sec.report/Document/0001630641-18-000001/primary\\_doc.html](https://sec.report/Document/0001630641-18-000001/primary_doc.html))

[Zoom In](#) [Zoom Out](#)

>

### SEC FORM D

The Securities and Exchange Commission has not necessarily reviewed the information in this filing and has not determined if it is accurate and complete. The reader should not assume that the information is accurate and complete.

**UNITED STATES  
SECURITIES AND  
EXCHANGE  
COMMISSION**


Washington, D.C. 20549

**FORM D**

**Notice of Exempt  
Offering of Securities**

OMB APPROVAL	
OMB Number:	3235-0076
Estimated average burden hours per response:	4.00

### 1. Issuer's Identity

CIK (Filer ID Number) 0001630641 (/CIK/0001630641) Name of Issuer DeepGreen Resources Inc.	Previous Names <input checked="" type="checkbox"/> None	Entity Type <input checked="" type="text" value="X"/> Corporation 
---	--	--



## Jurisdiction of Incorporation/Organization

BRITISH COLUMBIA, CANADA

## Year of Incorporation/Organization

 Over Five Years Ago**2. Principal Place of Business and Contact Information**

## Name of Issuer

DeepGreen Resources Inc.

## Street Address 1

Suite 3123, 595 Burrard Street

## Street Address 2

## City

Vancouver

## State/Province/Country

BRITISH COLUMBIA,  
CANADA

## ZIP/PostalCode

V7X 1J1

## Phone Number of Issuer

+61.400.767.300

**3. Related Persons**

## Last Name

Barron

## First Name

Gerard

## Middle Name

## Street Address 1

Suite 3123, 595 Burrard Street

## Street Address 2

## City

Vancouver

## State/Province/Country

BRITISH COLUMBIA, CANADA

## ZIP/PostalCode

V7X 1J1

Relationship:  Executive Officer  Director**Clarification of Response (if Necessary):**

## Last Name

Heydon

## First Name

David

## Middle Name

## Street Address 1

Suite 3123, 595 Burrard Street

## Street Address 2

## City

Vancouver

## State/Province/Country

BRITISH COLUMBIA, CANADA

## ZIP/PostalCode

V7X 1J1

Relationship:  Director  Promoter**Clarification of Response (if Necessary):**

## Last Name

Matysek

## First Name

Paul

## Middle Name

## Street Address 1

Suite 3123, 595 Burrard Street

## Street Address 2

## City

Vancouver

## State/Province/Country

BRITISH COLUMBIA, CANADA

## ZIP/PostalCode

V7X 1J1

Relationship:  Director**Clarification of Response (if Necessary):**

## Last Name

Paes-Braga

## First Name

Brian

## Middle Name

## Street Address 1

Suite 3123, 595 Burrard Street

## Street Address 2

## City

Vancouver

## State/Province/Country

BRITISH COLUMBIA, CANADA

## ZIP/PostalCode

V7X 1J1

Relationship:  Director

## Clarification of Response (if Necessary):

Last Name	First Name	Middle Name
Cabral	Bob	
Street Address 1 Suite 3123, 595 Burrard Street	Street Address 2	
City Vancouver	State/Province/Country BRITISH COLUMBIA, CANADA	ZIP/PostalCode V7X 1J1
Relationship: <input checked="" type="checkbox"/> Director		

## Clarification of Response (if Necessary):

Last Name	First Name	Middle Name
Heydon	Robert	
Street Address 1 Suite 3123, 595 Burrard Street	Street Address 2	
City Vancouver	State/Province/Country BRITISH COLUMBIA, CANADA	ZIP/PostalCode V7X 1J1
Relationship: <input checked="" type="checkbox"/> Executive Officer <input checked="" type="checkbox"/> Promoter		

## Clarification of Response (if Necessary):

### 4. Industry Group

Is the issuer registered as  
an investment company under  
the Investment Company  
Act of 1940?  
Energy

Other

### 5. Issuer Size

Revenue Range OR Aggregate Net Asset Value Range  
 No Revenues

### 6. Federal Exemption(s) and Exclusion(s) Claimed (select all that apply)

Rule 506(b)

### 7. Type of Filing

New Notice Date of First Sale 2017-12-14

### 8. Duration of Offering



Does the Issuer intend this offering to last more than one year?  No

## 9. Type(s) of Securities Offered (select all that apply)

Equity

## 10. Business Combination Transaction

Is this offering being made in connection with a business combination transaction, such as a merger, acquisition or exchange offer?  No

Clarification of Response (if Necessary):

## 11. Minimum Investment

Minimum investment accepted from any outside investor \$0 USD

## 12. Sales Compensation

Recipient Victorem Ventures Limited	Recipient CRD Number <input checked="" type="checkbox"/> None	
(Associated) Broker or Dealer <input checked="" type="checkbox"/> None	(Associated) Broker or Dealer CRD Number <input checked="" type="checkbox"/> None	
None	None	
Street Address 1 Villa 224, Green Community West	Street Address 2 PO Box 474002	ZIP/Postal Code
City Dubai	State/Province/Country UNITED ARAB EMIRATES	None
State(s) of Solicitation (select all that apply) Check "All States" or check individual States		
<input type="checkbox"/> MASSACHUSETTS		
<input type="checkbox"/> NEW YORK		

## 13. Offering and Sales Amounts

Total Offering Amount \$1,850,002 USD or  
 Total Amount Sold \$1,850,002 USD  
 Total Remaining to be Sold \$0 USD or

Clarification of Response (if Necessary):



## 14. Investors

Select if securities in the offering have been or may be sold to persons who do not qualify as accredited investors, and enter the number of such non-accredited investors who already have invested in the offering.

Regardless of whether securities in the offering have been or may be sold to persons who do not qualify as accredited investors, enter the total number of investors who already have invested in the offering:

## 15. Sales Commissions & Finder's Fees Expenses

Provide separately the amounts of sales commissions and finders fees expenses, if any. If the amount of an expenditure is not known, provide an estimate and check the box next to the amount.

Sales Commissions \$0 USD  Estimate

Finders' Fees \$102,500 USD  Estimate

Clarification of Response (if Necessary):

## 16. Use of Proceeds

Provide the amount of the gross proceeds of the offering that has been or is proposed to be used for payments to any of the persons required to be named as executive officers, directors or promoters in response to Item 3 above. If the amount is unknown, provide an estimate and check the box next to the amount.

\$0 USD  Estimate

Clarification of Response (if Necessary):

Proceeds of the offering may be used for general working capital purposes. Thus, proceeds may be used for payments to officers and directors in the ordinary course, but they are not specifically earmarked for such payments.

## Signature and Submission

Please verify the information you have entered and review the Terms of Submission below before signing and clicking SUBMIT below to file this notice.

### Terms of Submission

In submitting this notice, each issuer named above is:



- Notifying the SEC and/or each State in which this notice is filed of the offering of securities described and undertaking to furnish them, upon written request, in the accordance with applicable law, the information furnished to offerees.\*
- Irrevocably appointing each of the Secretary of the SEC and, the Securities Administrator or other legally designated officer of the State in which the issuer maintains its principal place of business and any State in which this notice is filed, as its agents for service of process, and agreeing that these persons may accept service on its behalf, of any notice, process or pleading, and further agreeing that such service may be made by registered or certified mail, in any Federal or state action, administrative proceeding, or arbitration brought against the issuer in any place subject to the jurisdiction of the United States, if the action, proceeding or arbitration (a) arises out of any activity in connection with the offering of securities that is the subject of this notice, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these statutes, or (ii) the laws of the State in which the issuer maintains its principal place of business or any State in which this notice is filed.
- Certifying that, if the issuer is claiming a Regulation D exemption for the offering, the issuer is not disqualified from relying on Rule 504 or Rule 506 for one of the reasons stated in Rule 504(b)(3) or Rule 506(d).

Each Issuer identified above has read this notice, knows the contents to be true, and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

For signature, type in the signer's name or other letters or characters adopted or authorized as the signer's signature.

Issuer	Signature	Name of Signer	Title	Date
DeepGreen Resources Inc.	/s/ Robert Heydon	Robert Heydon	VP Business Development	2018-01-22

*Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.*

\* This undertaking does not affect any limits Section 102(a) of the National Securities Markets Improvement Act of 1996 ("NSMIA") [Pub. L. No. 104-290, 110 Stat. 3416 (Oct. 11, 1996)] imposes on the ability of States to require information. As a result, if the securities that are the subject of this Form D are "covered securities" for purposes of NSMIA, whether in all instances or due to the nature of the offering that is the subject of this Form D, States cannot routinely require offering materials under this undertaking or otherwise and can require offering materials only to the extent NSMIA permits them to do so under NSMIA's preservation of their anti-fraud authority.

primary\_doc.xml [https://sec.report/Document/0001630641-18-000001/primary\\_doc.xml](https://sec.report/Document/0001630641-18-000001/primary_doc.xml)

Schema Version: X0708

Submission Type: D

Test Or Live: LIVE



## Primary Issuer

**Cik** 0001630641

**Entity Name** DeepGreen Resources Inc.

## Issuer Address

**Street1** Suite 3123, 595 Burrard Street

**City** Vancouver

**State Or Country** A1

**State Or Country Description** BRITISH COLUMBIA, CANADA

**Zip Code** V7X 1J1

**Issuer Phone Number** +61.400.767.300

**Jurisdiction Of Inc** BRITISH COLUMBIA, CANADA

**Issuer Previous Name List** None

**Edgar Previous Name List** None

**Entity Type** Corporation

**Year Of Inc Over Five Years** true

## Related Person Info

### Related Person Name

**First Name** Gerard

**Last Name** Barron

### Related Person Address

**Street1** Suite 3123, 595 Burrard Street

**City** Vancouver

**State Or Country** A1

**State Or Country Description** BRITISH COLUMBIA, CANADA

**Zip Code** V7X 1J1

### Relationship

**0** Executive Officer

**1** Director

### Related Person Name

**First Name** David

**Last Name** Heydon

### Related Person Address

**Street1** Suite 3123, 595 Burrard Street

**City** Vancouver



**State Or Country** A1

**State Or Country Description** BRITISH COLUMBIA, CANADA

**Zip Code** V7X 1J1

## Relationship

**0** Director

**1** Promoter

## Related Person Name

**First Name** Paul

**Last Name** Matysek

## Related Person Address

**Street1** Suite 3123, 595 Burrard Street

**City** Vancouver

**State Or Country** A1

**State Or Country Description** BRITISH COLUMBIA, CANADA

**Zip Code** V7X 1J1

**Related Person Relationship List Relationship** Director

## Related Person Name

**First Name** Brian

**Last Name** Paes-Braga

## Related Person Address

**Street1** Suite 3123, 595 Burrard Street

**City** Vancouver

**State Or Country** A1

**State Or Country Description** BRITISH COLUMBIA, CANADA

**Zip Code** V7X 1J1

**Related Person Relationship List Relationship** Director

## Related Person Name

**First Name** Bob

**Last Name** Cabral

## Related Person Address

**Street1** Suite 3123, 595 Burrard Street

**City** Vancouver

**State Or Country** A1

**State Or Country Description** BRITISH COLUMBIA, CANADA



**Zip Code** V7X 1J1

**Related Person Relationship List Relationship** Director

## Related Person Name

**First Name** Robert

**Last Name** Heydon

## Related Person Address

**Street1** Suite 3123, 595 Burrard Street

**City** Vancouver

**State Or Country** A1

**State Or Country Description** BRITISH COLUMBIA, CANADA

**Zip Code** V7X 1J1

## Relationship

**0** Executive Officer

**1** Promoter

## Offering Data

**Industry Group Industry Group Type** Other

**Issuer Size Revenue Range** No Revenues

**Federal Exemptions Exclusions Item** 06b

## Type Of Filing

**New Or Amendment Is Amendment** false

**Date Of First Sale** 2017-12-14

**Duration Of Offering More Than One Year** false

**Types Of Securities Offered Is Equity Type** true

## Business Combination Transaction

**Is Business Combination Transaction** false

**Minimum Investment Accepted** 0

## Recipient

**Recipient Name** Victorem Ventures Limited

**Recipient C R D Number** None

**Associated B D Name** None

**Associated B D C R D Number** None

## Recipient Address

**Street1** Villa 224, Green Community West





**Street2** PO Box 474002

**City** Dubai

**State Or Country** C0

**State Or Country Description** UNITED ARAB EMIRATES

**Zip Code** None

## States Of Solicitation List

### State

0 MA

1 NY

### Description

0 MASSACHUSETTS

1 NEW YORK

**Foreign Solicitation** false

## Offering Sales Amounts

**Total Offering Amount** 1850002

**Total Amount Sold** 1850002

**Total Remaining** 0

## Investors

**Has Non Accredited Investors** false

**Total Number Already Invested** 4

## Sales Commissions Finders Fees

**Sales Commissions Dollar Amount** 0

**Finders Fees Dollar Amount** 102500

## Use Of Proceeds

### Gross Proceeds Used

**Dollar Amount** 0

**Is Estimate** true

### Clarification Of Response

Proceeds of the offering may be used for general working capital purposes. Thus, proceeds may be used for payments to officers and directors in the ordinary course, but they are not specifically earmarked for such payments.

## Signature Block

**Authorized Representative** false



# Signature

**Issuer Name** DeepGreen Resources Inc.

**Signature Name** /s/ Robert Heydon


**Name Of Signer** Robert Heydon

**Signature Title** VP Business Development

**Signature Date** 2018-01-22

## Additional Files

File	Sequence	Description	Type	Size
0001630641-18-000001.txt ( <a href="https://sec.report/Document/0001630641-18-000001/0001630641-18-000001.txt">https://sec.report/Document/0001630641-18-000001/0001630641-18-000001.txt</a> )		Complete submission text file		11201

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SEC CFR Title 17 of the Code of Federal Regulations. (<https://ecfr.io/Title-17/>)



# Form 45-106F1 Report of Exempt Distribution

IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT

## ITEM 1 – REPORT TYPE

- New report
- Amended report    If amended, provide filing date of report that is being amended. 

2018	01	26
------	----	----

 (YYYY-MM-DD)

## ITEM 2 – PARTY CERTIFYING THE REPORT

Indicate the party certifying the report (select only one). For guidance regarding whether an issuer is an investment fund, refer to section 1.1 of National Instrument 81-106 Investment Fund Continuous Disclosure and the companion policy to NI 81-106.

- Investment fund issuer
- Issuer (other than an investment fund)
- Underwriter

## ITEM 3 – ISSUER NAME AND OTHER IDENTIFIERS

Provide the following information about the issuer, or if the issuer is an investment fund, about the fund.

Full legal name

Previous full legal name

If the issuer's name changed in the last 12 months, provide most recent previous legal name.

Website  (if applicable)

If the issuer has a legal entity identifier, provide below. Refer to Part B of the Instructions for the definition of "legal entity identifier".

Legal entity identifier

## ITEM 4 – UNDERWRITER INFORMATION

If an underwriter is completing the report, provide the underwriter's full legal name and firm National Registration Database (NRD) number.

Full legal name

Firm NRD number 

--	--	--	--	--	--	--	--

 (if applicable)

If the underwriter does not have a firm NRD number, provide the head office contact information of the underwriter.

Street address

Municipality  Province/State

Country  Postal code/Zip code

Telephone number  Website  (if applicable)

## ITEM 5 – ISSUER INFORMATION

**If the issuer is an investment fund, do not complete Item 5. Proceed to Item 6.**

### a) Primary industry

Provide the issuer's North American Industry Classification Standard (NAICS) code (6 digits only) that corresponds to the issuer's primary business activity. For more information on finding the NAICS industry code go to [Statistics Canada's NAICS industry search tool](#).

NAICS industry code

If the issuer is in the **mining industry**, indicate the stage of operations. This does not apply to issuers that provide services to issuers operating in the mining industry. Select the category that best describes the issuer's stage of operations.

Exploration  Development  Production

Is the issuer's primary business to invest all or substantially all of its assets in any of the following? If yes, select all that apply.

Mortgages  Real estate  Commercial/business debt  Consumer debt  Private companies

### b) Number of employees

Number of employees:  0 – 49  50 – 99  100 – 499  500 or more

### c) SEDAR profile number

Does the issuer have a [SEDAR](#) profile?

No  Yes If yes, provide SEDAR profile number

**If the issuer does not have a SEDAR profile complete Item 5(d) – (h).**

### d) Head office address

Street address  Province/State   
Municipality  Postal code/Zip code   
Country  Telephone number

### e) Date of formation and financial year-end

Date of formation     Financial year-end    
YYYY MM DD MM DD

### f) Reporting issuer status

Is the issuer a reporting issuer in any jurisdiction of Canada?  No  Yes

If yes, select the jurisdictions of Canada in which the issuer is a reporting issuer.

All  AB  BC  MB  NB  NL  NT  
 NS  NU  ON  PE  QC  SK  YT

### g) Public listing status

If the issuer has a CUSIP number, provide below (first 6 digits only)

CUSIP number

If the issuer is publicly listed, provide the names of all exchanges on which its securities are listed. Include only the names of exchanges for which the issuer has applied for and received a listing, which excludes, for example, automated trading systems.

Exchange names

### h) Size of issuer's assets

Select the size of the issuer's assets for its most recent financial year-end (Canadian \$). If the issuer has not existed for a full financial year, provide the size of the issuer's assets at the distribution end date.

\$0 to under \$5M  \$5M to under \$25M  \$25M to under \$100M  
 \$100M to under \$500M  \$500M to under \$1B  \$1B or over

## ITEM 6 – INVESTMENT FUND ISSUER INFORMATION

**If the issuer is an investment fund, provide the following information.**

### a) Investment fund manager information

Full legal name

Firm NRD Number  (if applicable)

*If the investment fund manager does not have a firm NRD number, provide the head office contact information of the investment fund manager.*

Street Address

Municipality

Province/State

Country

Postal code/Zip code

Telephone number

Website (if applicable)

### b) Type of investment fund

*Type of investment fund that most accurately identifies the issuer (select only one).*

- Money market       Equity       Fixed income  
 Balanced       Alternative strategies       Other (describe)

*Indicate whether one or both of the following apply to the investment fund.*

- Invests primarily in other investment fund issuers  
 Is a UCITs Fund<sup>1</sup>

<sup>1</sup>Undertaking for the Collective Investment of Transferable Securities funds (UCITs Funds) are investment funds regulated by the European Union (EU) directives that allow collective investment schemes to operate throughout the EU on a passport basis on authorization from one member state.

### c) Date of formation and financial year-end of the investment fund

Date of formation    
YYYY MM DD

Financial year-end   
MM DD

### d) Reporting issuer status of the investment fund

*Is the investment fund a reporting issuer in any jurisdiction of Canada?*  No  Yes

*If yes, select the jurisdictions of Canada in which the investment fund is a reporting issuer.*

- All     AB     BC     MB     NB     NL     NT  
 NS     NU     ON     PE     QC     SK     YT

### e) Public listing status of the investment fund

*If the investment fund has a CUSIP number, provide below (first 6 digits only).*

CUSIP number

*If the investment fund is publicly listed, provide the names of all exchanges on which its securities are listed. Include only the names of exchanges for which the investment fund has applied for and received a listing, which excludes, for example, automated trading systems.*

Exchange names

### f) Net asset value (NAV) of the investment fund

*Select the NAV range of the investment fund as of the date of the most recent NAV calculation (Canadian \$).*

- \$0 to under \$5M       \$5M to under \$25M       \$25M to under \$100M  
 \$100M to under \$500M       \$500M to under \$1B       \$1B or over

Date of NAV calculation:   
YYYY MM DD

## ITEM 7 – INFORMATION ABOUT THE DISTRIBUTION

If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include in Item 7 and Schedule 1 information about purchasers resident in that jurisdiction of Canada only. Do not include in Item 7 securities issued as payment of commissions or finder's fees, which should be disclosed in Item 8. The information provided in Item 7 must reconcile with the information provided in Schedule 1 of the report.

### a) Currency

Select the currency or currencies in which the distribution was made. All dollar amounts provided in the report must be in Canadian dollars.

Canadian dollar  US dollar  Euro Other (describe)

### b) Distribution date(s)

State the distribution start and end dates. If the report is being filed for securities distributed on only one distribution date, provide the distribution date as both the start and end dates. If the report is being filed for securities distributed on a continuous basis, include the start and end dates for the distribution period covered by the report.

Start date     
YYYY MM DD

End date     
YYYY MM DD

### c) Detailed purchaser information

**Complete Schedule 1 of this form for each purchaser and attach the schedule to the completed report.**

### d) Types of securities distributed

Provide the following information for all distributions that take place in a jurisdiction of Canada on a per security basis. Refer to Part A of the Instructions for how to indicate the security code. If providing the CUSIP number, indicate the full 9-digit CUSIP number assigned to the security being distributed.

Security code	CUSIP number (if applicable)	Description of security	Number of securities	Canadian \$		
				Single or lowest price	Highest price	Total amount
C M S		Common Shares	18,305,096	.956925	.96255	17,594,652.10

### e) Details of rights and convertible/exchangeable securities

If any rights (e.g. warrants, options) were distributed, provide the exercise price and expiry date for each right. If any convertible/exchangeable securities were distributed, provide the conversion ratio and describe any other terms for each convertible/exchangeable security.

Security code	Underlying security code	Exercise price (Canadian \$)		Expiry date (YYYY-MM-DD)	Conversion ratio	Describe other terms (if applicable)
		Lowest	Highest			

### f) Summary of the distribution by jurisdiction and exemption

State the total dollar amount of securities distributed and the number of purchasers for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides and for each exemption relied on in Canada for that distribution. However, if an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include distributions to purchasers resident in that jurisdiction of Canada only.

This table requires a separate line item for: (i) each jurisdiction where a purchaser resides, (ii) each exemption relied on in the jurisdiction where a purchaser resides, if a purchaser resides in a jurisdiction of Canada, and (iii) each exemption relied on in Canada, if a purchaser resides in a foreign jurisdiction.

For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Exemption relied on	Number of purchasers	Total amount (Canadian \$)
Alberta	NI 45-106 2.3 [Accredited investor]	4	210,521.58
British Columbia	NI 45-106 2.14 [Securities for debt]	4	207,875.17
British Columbia	NI 45-106 2.3 [Accredited investor]	21	8,090,688.35
Ontario	NI 45-106 2.3 [Accredited investor]	4	1,328,101.50
United States	NI 45-106 2.10 [Minimum amount investment]	1	320,125.64
United States	NI 45-106 2.3 [Accredited investor]	3	2,048,801.60

United Kingdom	NI 45-106 2.3 [Accredited investor]	7	824,202.68
United Kingdom	NI 45-106 2.5 [Family, friends and business associates]	1	32,085.64
Australia	NI 45-106 2.3 [Accredited investor]	8	1,103,436.24
Australia	NI 45-106 2.14 [Securities for debt]	2	831,000.22
Hong Kong	NI 45-106 2.3 [Accredited investor]	2	452,050.50
China	NI 45-106 2.3 [Accredited investor]	1	1,277,494.88
Hungary	NI 45-106 2.3 [Accredited investor]	1	11,483.10
Gibraltar	NI 45-106 2.3 [Accredited investor]	1	856,785.00
<b>Total dollar amount of securities distributed</b>			<b>17,594,652.10</b>
<b>Total number of unique purchasers<sup>2</sup></b>		<b>60</b>	

<sup>2</sup>In calculating the total number of unique purchasers to which the issuer distributed securities, count each purchaser only once, regardless of whether the issuer distributed multiple types of securities to, and relied on multiple exemptions for, that purchaser.

**g) Net proceeds to the investment fund by jurisdiction**

If the issuer is an investment fund, provide the net proceeds to the investment fund for each jurisdiction of Canada and foreign jurisdiction where a purchaser resides.<sup>3</sup> If an issuer located outside of Canada completes a distribution in a jurisdiction of Canada, include net proceeds for that jurisdiction of Canada only. For jurisdictions within Canada, state the province or territory, otherwise state the country.

Province or country	Net proceeds (Canadian \$)
<b>Total net proceeds to the investment fund</b>	

<sup>3</sup>"Net proceeds" means the gross proceeds realized in the jurisdiction from the distributions for which the report is being filed, less the gross redemptions that occurred during the distribution period covered by the report.

**h) Offering materials - This section applies only in Saskatchewan, Ontario, Québec, New Brunswick and Nova Scotia.**

If a distribution has occurred in Saskatchewan, Ontario, Québec, New Brunswick or Nova Scotia, complete the table below by listing the offering materials that are required under the prospectus exemption relied on to be filed with or delivered to the securities regulatory authority or regulator in those jurisdictions.

In Ontario, if the offering materials listed in the table are required to be filed with or delivered to the Ontario Securities Commission (OSC), attach an electronic version of the offering materials that have not been previously filed with or delivered to the OSC.

	Description	Date of document or other material (YYYY-MM-DD)	Previously filed with or delivered to regulator? (Y/N)	Date previously filed or delivered (YYYY-MM-DD)
1.				
2.				
3.				



## ITEM 8 – COMPENSATION INFORMATION

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

 No

 Yes

If yes, indicate number of persons compensated.

3

### a) Name of person compensated and registration status

Indicate whether the person compensated is a registrant.

 No

 Yes

If the person compensated is an individual, provide the name of the individual.

Full legal name of individual     
 Family name First given name Secondary given names

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual  Fiore Management & Advisory Corp.

Firm NRD number       (if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

 No

 Yes

### b) Business contact information

If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.

Street address  Suite 3123 – 595 Burrard Street  
 Municipality  Vancouver Province/State  British Columbia  
 Country  Canada Postal code/Zip code  V7Z 1J1  
 Email address  gkeep@fiorecorporation.com Telephone number  604.609.6110

### c) Relationship to issuer or investment fund manager

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

- Connected with the issuer or investment fund manager  
 Insider of the issuer (other than an investment fund)  
 Director or officer of the investment fund or investment fund manager  
 Employee of the issuer or investment fund manager  
 None of the above

### d) Compensation details

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid  541,482.02

Value of all securities distributed as compensation<sup>4</sup>

Security codes 

Security code 1	Security code 2	Security code 3
<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation<sup>5</sup>  Describe

Total compensation paid  541,482.02

Check box if the person will or may receive any deferred compensation (describe the terms below)

<sup>4</sup>Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>5</sup>Do not include deferred compensation.



## ITEM 8 – COMPENSATION INFORMATION

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

 No

 Yes

If yes, indicate number of persons compensated.

3

### a) Name of person compensated and registration status

Indicate whether the person compensated is a registrant.

 No

 Yes

If the person compensated is an individual, provide the name of the individual.

Full legal name of individual     
 Family name First given name Secondary given names

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual  Eventus Capital Corp.

Firm NRD number  5  2  5  2  0  (if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

 No

 Yes

### b) Business contact information

If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.

Street address   
 Municipality  Province/State   
 Country  Postal code/Zip code   
 Email address  Telephone number

### c) Relationship to issuer or investment fund manager

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

- Connected with the issuer or investment fund manager  
 Insider of the issuer (other than an investment fund)  
 Director or officer of the investment fund or investment fund manager  
 Employee of the issuer or investment fund manager  
 None of the above

### d) Compensation details

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid  66,027.83

Value of all securities distributed as compensation<sup>4</sup>

Security codes 

Security code 1			Security code 2			Security code 3		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation<sup>5</sup>  Describe

Total compensation paid  66,027.83

Check box if the person will or may receive any deferred compensation (describe the terms below)

<sup>4</sup>Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>5</sup>Do not include deferred compensation.

## ITEM 8 – COMPENSATION INFORMATION

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

 No

 Yes

If yes, indicate number of persons compensated.

3

### a) Name of person compensated and registration status

Indicate whether the person compensated is a registrant.

 No

 Yes

If the person compensated is an individual, provide the name of the individual.

Full legal name of individual     
 Family name First given name Secondary given names

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual  Haywood Securities Inc

Firm NRD number  1  6  3  0    (if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

 No

 Yes

### b) Business contact information

If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.

Street address   
 Municipality  Province/State   
 Country  Postal code/Zip code   
 Email address  Telephone number

### c) Relationship to issuer or investment fund manager

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

- Connected with the issuer or investment fund manager  
 Insider of the issuer (other than an investment fund)  
 Director or officer of the investment fund or investment fund manager  
 Employee of the issuer or investment fund manager  
 None of the above

### d) Compensation details

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid  3,891.48

Value of all securities distributed as compensation<sup>4</sup>

Security codes 

Security code 1			Security code 2			Security code 3		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation<sup>5</sup>  Describe

Total compensation paid  3,891.48

Check box if the person will or may receive any deferred compensation (describe the terms below)

<sup>4</sup>Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>5</sup>Do not include deferred compensation.

## ITEM 8 – COMPENSATION INFORMATION

Provide information for each person (as defined in NI 45-106) to whom the issuer directly provides, or will provide, any compensation in connection with the distribution. **Complete additional copies of this page if more than one person was, or will be, compensated.**

Indicate whether any compensation was paid, or will be paid, in connection with the distribution.

 No

 Yes

If yes, indicate number of persons compensated.

3

### a) Name of person compensated and registration status

Indicate whether the person compensated is a registrant.

 No

 Yes

If the person compensated is an individual, provide the name of the individual.

Full legal name of individual     
 Family name First given name Secondary given names

If the person compensated is not an individual, provide the following information.

Full legal name of non-individual  Victorem Ventures Limited

Firm NRD number       (if applicable)

Indicate whether the person compensated facilitated the distribution through a funding portal or an internet-based portal.

 No

 Yes

### b) Business contact information

If a firm NRD number is not provided in Item 8(a), provide the business contact information of the person being compensated.

Street address  Villa 224, Green Community West, PO Box 474002  
 Municipality  Dubai Province/State   
 Country  United Arab Emirates Postal code/Zip code   
 Email address  gerard@deepgreenresources.com Telephone number  +447970771681

### c) Relationship to issuer or investment fund manager

Indicate the person's relationship with the issuer or investment fund manager (select all that apply). Refer to the meaning of "connected" in Part B(2) of the Instructions and the meaning of "control" in section 1.4 of NI 45-106 for the purposes of completing this section.

- Connected with the issuer or investment fund manager  
 Insider of the issuer (other than an investment fund)  
 Director or officer of the investment fund or investment fund manager  
 Employee of the issuer or investment fund manager  
 None of the above

### d) Compensation details

Provide details of all compensation paid, or to be paid, to the person identified in Item 8(a) in connection with the distribution. Provide all amounts in Canadian dollars. Include cash commissions, securities-based compensation, gifts, discounts or other compensation. Do not report payments for services incidental to the distribution, such as clerical, printing, legal or accounting services. An issuer is not required to ask for details about, or report on, internal allocation arrangements with the directors, officers or employees of a non-individual compensated by the issuer.

Cash commissions paid  252,287.53

Value of all securities distributed as compensation<sup>4</sup>

Security codes 

Security code 1			Security code 2			Security code 3		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Describe terms of warrants, options or other rights

Other compensation<sup>5</sup>  Describe

Total compensation paid  252,287.53

Check box if the person will or may receive any deferred compensation (describe the terms below)

<sup>4</sup>Provide the aggregate value of all securities distributed as compensation, excluding options, warrants or other rights exercisable to acquire additional securities of the issuer. Indicate the security codes for all securities distributed as compensation, including options, warrants or other rights exercisable to acquire additional securities of the issuer.

<sup>5</sup>Do not include deferred compensation.

## ITEM 9 – DIRECTORS, EXECUTIVE OFFICERS AND PROMOTERS OF THE ISSUER

**If the issuer is an investment fund, do not complete Item 9. Proceed to Item 10.**

Indicate whether the issuer is any of the following (select all that apply).

- Reporting issuer in any jurisdiction of Canada
- Foreign public issuer
- Wholly owned subsidiary of a reporting issuer in any jurisdiction of Canada<sup>6</sup>  
Provide name of reporting issuer
- Wholly owned subsidiary of a foreign public issuer<sup>6</sup>  
Provide name of foreign public issuer
- Issuer distributing eligible foreign securities only to permitted clients<sup>7</sup>

**If the issuer is at least one of the above, do not complete Item 9(a) – (c). Proceed to Item 10.**

<sup>6</sup>An issuer is a wholly owned subsidiary of a reporting issuer or a foreign public issuer if all of the issuer's outstanding voting securities, other than securities that are required by law to be owned by its directors, are beneficially owned by the reporting issuer or the foreign public issuer, respectively.

<sup>7</sup>Check this box if it applies to the current distribution even if the issuer made previous distributions of other types of securities to non-permitted clients. Refer to the definitions of "eligible foreign security" and "permitted client" in Part B(1) of the Instructions.

**If the issuer is none of the above, check this box and complete Item 9(a) – (c).**

### a) Directors, executive officers and promoters of the issuer

Provide the following information for each director, executive officer and promoter of the issuer. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to issuer", "D" – Director, "O" – Executive Officer, "P" – Promoter.

Organization or company name	Family name	First given name	Secondary given names	Business location of non-individual or residential jurisdiction of individual	Relationship to issuer (select all that apply)		
				Province or country	D	O	P

### b) Promoter information

If the promoter listed above is not an individual, provide the following information for each director and executive officer of the promoter. For locations within Canada, state the province or territory, otherwise state the country. For "Relationship to promoter", "D" – Director, "O" – Executive Officer.

Organization or company name	Family name	First given name	Secondary given names	Residential jurisdiction of individual	Relationship to promoter (select one or both if applicable)	
				Province or country	D	O

### c) Residential address of each individual

**Complete Schedule 2 of this form providing the full residential address for each individual listed in Item 9(a) and (b) and attach to the completed report. Schedule 2 also requires information to be provided about control persons.**

## ITEM 10 – CERTIFICATION

Provide the following certification and business contact information of an officer or director of the issuer or underwriter. If the issuer or underwriter is not a company, an individual who performs functions similar to that of a director or officer may certify the report. For example, if the issuer is a trust, the report may be certified by the issuer's trustee. If the issuer is an investment fund, a director or officer of the investment fund manager (or, if the investment fund manager is not a company, an individual who performs similar functions) may certify the report if the director or officer has been authorized to do so by the investment fund.

The certification may not be delegated to an agent or other individual preparing the report on behalf of the issuer or underwriter. If the individual completing and filing the report is different from the individual certifying the report, provide their name and contact details in Item 11.

The signature on the report must be in typed form rather than handwritten form. The report may include an electronic signature provided the name of the signatory is also in typed form.

### IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT

By completing the information below, I certify to the securities regulatory authority or regulator that:

- I have read and understand this report; and
- all of the information provided in this report is true.

Full legal name 

Heydon	Robert	
--------	--------	--

  
Family name                      First given name                      Secondary given names

Title 

VP Corporate Development
--------------------------

Name of issuer/underwriter/  
investment fund manager 

DeepGreen Resources Inc.
--------------------------

Telephone number 

(+61) 400-767-300
-------------------

 Email address 

robert@deepgreenresources.com
-------------------------------

Signature 

"Robert Heydon"
-----------------

 Date 

2018	02	06
<small>YYYY</small>	<small>MM</small>	<small>DD</small>

## ITEM 11 – CONTACT PERSON

Provide the following business contact information for the individual that the securities regulatory authority or regulator may contact with any questions regarding the contents of this report, if different than the individual certifying the report in Item 10.

Same as individual certifying the report

Full legal name 

Kaloti	Jasvir	
--------	--------	--

 Title 

--

  
Family name                      First given name                      Secondary given names

Name of company 

Fiore Management & Advisory Corp.
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Telephone number 

604.609.6138
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 Email address 

jkaloti@fiorecorporation.com
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### Notice – Collection and use of personal information

The personal information required under this form is collected on behalf of and used by the securities regulatory authority or regulator under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or regulator in the local jurisdiction(s) where the report is filed, at the address(es) listed at the end of this form.

The attached Schedules 1 and 2 may contain personal information of individuals and details of the distribution(s). The information in Schedules 1 and 2 will not be placed on the public file of any securities regulatory authority or regulator. However, freedom of information legislation may require the securities regulatory authority or regulator to make this information available if requested.

By signing this report, the issuer/underwriter confirms that each individual listed in Schedule 1 or 2 of the report who is resident in a jurisdiction of Canada:

- has been notified by the issuer/underwriter of the delivery to the securities regulatory authority or regulator of the information pertaining to the individual as set out in Schedule 1 or 2, that this information is being collected by the securities regulatory authority or regulator under the authority granted in securities legislation, that this information is being collected for the purposes of the administration and enforcement of the securities legislation of the local jurisdiction, and of the title, business address and business telephone number of the public official in the local jurisdiction, as set out in this form, who can answer questions about the securities regulatory authority's or regulator's indirect collection of the information, and
- has authorized the indirect collection of the information by the securities regulatory authority or regulator.



To: Mr. Justice David M. Masuhara  
c/o sc.civil\_va@bccourts.ca

August 4, 2019

CC: S-191827 Service List (Last Updated: June 13, 2019)

Regarding:

**RECEIVED**  
AUG 04 2019  
VANCOUVER  
SUPREME COURT SCHEDULING

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,

S.B.C 2002, C. 57

AND

IN THE MATTER OF NAUTILUS MINERALS INC AND NAUTILUS MINERALS PACIFIC PTY LTD

(No. S191827)

To the Court and the Honourable Mr. Justice Masuhara,

This letter expresses the disappointment and frustration felt by an international community of 41 long-time private shareholders in Nautilus Minerals Inc (NMI). While collectively we only own ~13.5 million shares (~2.0% of outstanding shares), many of us have been actively invested in this company since its IPO in 2007.

Over the past several years we have noticed the systematic attack on the company's underlying financials and its corporate officer structure by its two largest shareholders, MB Holding Company LLC (MB) and Metalloinvest Holding (Cyprus) Limited (Metalloinvest). We believe the US\$34 million secured structured credit facility entered into by Deep Sea Mining Finance Ltd (DSMF, a private company owned 50% by affiliates and/or subsidiaries of the aforementioned) and NMI, was entered into in bad faith and was a successful attempt to indebt NMI to MB and Metalloinvest.

Many of us held hope that any court action, restructuring, or acquisition agreement would include shareholder compensation and/or a transfer of shares into a new entity. The majority of the shareholders represented here have unrealized losses that far outweigh any potential gains if the proposed acquisition agreement fails and NMI is forced to liquidate its assets. However, it is apparent that the current acquisition agreement is designed to (1) minimally compensate existing creditors, (2) transfer NMI assets to a new entity at far below assessed value, and (3) leave existing NMI shareholders (us) in a soon-to-be assetless company which will then file for bankruptcy.

It is dumbfounding to those represented here how NMI with US ~\$328 million in assets (NMI Q3 Financial Report, 2018), and US ~\$45 million in substantiated claims (Monitors 3rd Report, Table 1, excluding unwarranted/rescinded claims by Ed Kopa, MAC, TNMG ) will be left completely assetless without any form of shareholder compensation.

We do not support this acquisition agreement without defined considerations for current NMI shareholders.

Through the appointment of an MB internal agent, Tariq Al Barwani, first as a member (June, 2015) then Chairman (January, 2018) of the NMI Board of Directors, there has been a systematic dismantling of NMI's pre-existing

corporate officer structure. Since the beginning of the secured structured credit facility with DSMF (Q4 2016), NMI has lost three CEO's (John McCoach 2019; Michael Johnston, 2018; Russell Debney, 2017), two of these during Mr. Al Barwani's chairmanship. Additionally one director (Mark P. M. Horn) left NMI to lead DSMF (October, 2017). Shortly after the appointment of Mr. Al Barwani to the Board of Directors, and concurrent with the attrition in NMI leadership and the inception of DSMF, NMI ceased communication with shareholders, holding its last general investor update Q3 2016. Mr. Al Barwani resigned as director of NMI on July 11, 2019, with his tenureship just long enough to hold NMI to its current course of eventual bankruptcy and shareholder disregard.

There has been a successful systematic effort to preclude shareholder participation, engagement and advocacy.

We are a vocal minority, and while the two DSMF represented shareholders, MB and Metalloinvest, own 49.6% of NMI, we assume there is an equally large contingent of unspoken shareholders who feel as we do.

As smaller shareholders we are completely dependant on your Honour and the Court. We believe the CCAA and BCA provide The Court with sufficient authority to intervene on behalf of the shareholders, specifically CCAA Section 5 and 42, and BCA Section 190(1)(e-f), 190(3), 190(12)(a), 190(20).

As long-time believers in the mission of Nautilus Minerals, we want to bring our concerns to the attention of the court and hope they will be considered.

Respectfully,

-A group of concerned shareholders

c/o Ashton Flinders, Ph.D.  
nautilusshareholders@gmail.com  
1-808-224-4367

*Those represented by this letter;*

Ashton Flinders	andrealphus@gmail.com	Philip Hammack	comak@bendbroadband.com
Peter van der Vloodt	hardman.res@slingshot.co.nz	Bernhard Floedl	phil_consultant@yahoo.com
Sander Roeleveld	sander_roeleveld@hotmail.com	Manfred Seidl	kangaroo111@gmail.com
Ryan Monk	rmonk1991@gmail.com	Elmar Kopyciok	elmar.kopyciok@gmail.com
Sandra Hamper	hcthamper@aol.com	Terry Lease	wtlease@yahoo.com
Mladen D. Donchev	basq1953@gmail.com	Joran Hofman	sander_roeleveld@hotmail.com
Bill Edmonson	edfamm@comcast.net	Scott Edwards	stillthesame72@sbcglobal.net
Jackie Jameson	4jamesons@gmail.com	Alex Walker	alex1412811@yahoo.dk
Patrick Reynolds	jpr6877@gmail.com	Bruce Stewart	beeruce.honey@gmail.com
Gilles Lacante	gilleslacante@hotmail.com	Richard Banglmaier	rbanglmaier@gmail.com
Fulvio Bencina	fulvio@bencina.com.au	John Vanhorn	jvanhorn1@hotmail.com

Cody Monk	<i>(contact Ryan Monk)</i>	Douglas DeMaio	ddemaio@opensuse.org
D.L. Grapes	therocksharp@aol.com	Sidney Schamel	sidney@schamel.name
Michael T. Rowton	mrowton78@gmail.com	Geoffrey Reichert	apeacefulmeadow@aol.com
Charles Grapes	highptfarm@aol.com	Justin Scott	jdscottjds@gmail.com
Thomas Schmidt	tntsoquel@gmail.com	Gregg Kearney	kearney8@optonline.net
Max Mancinelli	mmancinelli@yahoo.com	Lawrence Lorenzi	ljldmd@aol.com
Patrick Moulday	pmoulday@gmail.com	Tony McDonald	flight-music.hotmail.com
Brandon Horne	brandon.horne81@gmail.com	Dustin Bashaw	dustbash@me.com
Tom Bergquist	papa-t@att.net	Dennis Duff	dduff@dutchopeners.com
Dwain Phillis	dwain1@adam.com.au		

(detailed contact information available on request)



Company Registration No. 09748894 (England and Wales)

**VICTOREM VENTURES LIMITED**  
**UNAUDITED ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

765

THURSDAY



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14/09/2017  
COMPANIES HOUSE

# VICTOREM VENTURES LIMITED

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# VICTOREM VENTURES LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31 AUGUST 2016

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	Notes	2016 £	£
<b>Current assets</b>			
Debtors		6,580	
<b>Creditors: amounts falling due within one year</b>		<u>(39,380)</u>	
<b>Total assets less current liabilities</b>			<u>(32,800)</u>
<b>Capital and reserves</b>			
Called up share capital	2		100
Profit and loss account			<u>(32,900)</u>
<b>Shareholders' funds</b>			<u>(32,800)</u>

For the financial year ended 31 August 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board for issue on 24 May 2017



Mr G Barron  
Director

Company Registration No. 09748894

# VICTOREM VENTURES LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

*FOR THE YEAR ENDED 31 AUGUST 2016*

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

### 2 Share capital

**2016**

**£**

#### **Allotted, called up and fully paid**

100 Ordinary Share of £1 each

100

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